

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

dealing with matters such as pollution, the environment, working conditions and living standards, so as to offer European peoples a blueprint for living which is compatible with the exigencies of international competition, yet preserves and restores the human quality to living patterns. This is the most pressing medium range problem, at least as important as that of raising standards of living, which we pursue automatically. Europe, the community of stability, must not become a community of stagnation. *Europe, the community of prosperity, must not become a community of inflation. But Europe must not become a community of tradesmen.* Europe must be designed and constructed in the service of mankind. Thus, and thus alone, can we interest our youth in the European concept; this youth which, while taking for granted the easy benefits of the consumer society, vociferously declares its dissatisfaction with it before finally lapsing into indifference.

I therefore hope that we shall be able to create an organization capable, within a given period, of setting down a sort of general philosophy encompassing the goals to be achieved, together with certain specific, clearly defined courses of action. This organization, drawing largely for help on qualified personalities and on business and labour leaders, could be called the European Foundation for the improvement of working and living conditions. It would provide a base for the study of pollution, of environment, of the adjustment of working hours and conditions, and redefine the tasks and duties within an enterprise. These are just a few examples among others.

I now come to the matter of institutions.

It is a well known fact that points of view over this question vary. A preliminary agreement has been reached, I believe, to avoid a recurrence here of doctrinal disputes which would result in a considerable loss of time in our proceedings. Taking into account the entry of three new members and of the manifold complications which it will inevitably provoke in the functioning of the Community bodies, as well as the adaptation period it will call for, it was agreed that we would not at present consider any changes in the Treaty of Rome.

However, improvements can be introduced in the operation of the Community and our governments must be ready to undertake joint action in fields that the Treaty did not specifically mention. France is open to all suggestions.

Thus the work of the Council of Ministers should be improved, either to make it more efficient, or to lighten the burden it represents. Some of our partners have made a number of proposals, such as holding an exceptionally lengthy annual session to clear all outstanding business, and to create European State secretariats which, by taking part in their respective government's meetings, would be able to take decisions without referring to them. Provided that it

does not lead to any additional complications and that the duties of Secretaries of State and Permanent Representatives do not overlap, France is willing to study this formula. Its most normal field of application would be in the link between the Council of Community Ministers and the European Parliament. Such a decision would, I gather, oblige our nine governments to hold their cabinet meetings on the same day, which would also have a symbolic value as far as public opinion is concerned.

As these are fields which have not been expressly mentioned in the Treaty of Rome, France believes that the approach to them must be rigorously pragmatic. Sometimes it will seem that a specifically intergovernmental organization is simpler and more effective. Sometimes we shall find right away in Article 235 of the Treaty, the possibility of employing standard community procedures. At still other times, action initiated between governments can subsequently be taken up within the community framework.

A number of areas remain which, for reasons peculiar to one or another of our respective States, must continue to stay on an intergovernmental level. I need hardly insist that for France, this is eminently exemplified by the matter of political coordination of our endeavours, which is vitally necessary yet exceedingly difficult to bring about. In this respect, I should like to clarify France's position concerning the role of the Commission. We sincerely appreciate, as no doubt do all Member States, the services it provides, its efficient management, and the significant progress achieved through many of its initiatives. My preceding remarks about Article 235 of the Treaty prove that we are in no way interested in keeping it strictly within the framework of its current attributions. We simply feel that it is up to the governments themselves to define the basic principle concerning matters falling outside the scope of the Treaty of Rome, and to decide exactly when they wish to submit these matters to community procedures, including the action of the Commission and the other organizations.

I should like to add that it would seem appropriate to me, if everyone agrees and if the Commission has no objections, that the governments of Member States propose the future commissioners as quickly as possible. A number of governments have already made their intentions clear. France plans to do the same when our Conference is over. We will thus make it possible for the members of the new Commission to familiarize themselves with Community problems before taking over their posts officially.

Finally, I know the importance our partners attach to the democratic character of the Community. France, believe me, is not the last country to support this view. Why should I conceal the fact that some of the suggested solutions appear premature to us? Yet I only see advantages in enabling the European parliamentary assembly to follow more closely the Community's progress,

together with the work of the Commission and that of the Council of Ministers, in making its control authority more effective and increasing its means of information, so that closer links may be forged to this end which could be, as I previously stated, one of the normal prerogatives of the European Secretaries of State, should their establishment be decided. Other improvements are undoubtedly feasible. The French position is open so long as one does not fail to recognize the fact that political control must remain in the hands of national parliaments, of which it is the *raison d'être* which I doubt any one is planning to relinquish.

Well, gentlemen, these statements have been too long and yet too brief. To conclude, I should like to express certain wishes whose personal character you will kindly excuse. I do not believe that the leading statesmen of our nine countries have met with the intention of losing themselves in the formal or legal discussions which constitute the regular rounds of our permanent representatives and even of our Ministers. Nor do I believe that they must limit themselves to statements of principle, however noble. We have undertaken an unprecedented task, and the new members have agreed to join us in the undertaking. It is not normal to attempt to unite States which have been cast by the centuries into highly different moulds and whose interests often diverge. But our countries have no alternative. We owe it to ourselves to rise to the level of basic European necessities, by substituting, for the inevitable bargaining of interests, collective, constructive action aimed at resolving problems that arise, problems that we all eventually have to face in a similar context, when looked at in a general manner. May the very fact that you are all united today in Paris provide a good omen and a stimulus to those who, like myself, believe in the need to construct, in this decade, a European Union determined to shoulde its destiny.'

Address by Mr B.W. Biesheuvel,
Prime Minister of the Netherlands¹

'Mr President of the Republic,

Gentlemen,

You have asked me, Premier of the country now presiding over the Council of the European countries, to be the first speaker. It gives me an opportunity to say a few words by way of introduction about the manner in which the Conference was prepared. The way was paved at a number of meetings of the Foreign Ministers and members of the European Commission, and the

¹ Spoken in Dutch.

Permanent Representatives at Brussels made a major contribution by drawing up a report on the three subjects that will occupy our attention during the Conference.

Mr President, the three subjects about which the preparation revolved are so broadly formulated that they will embrace practically any topic that might crop up during the Conference. Needless to say, we are all at liberty to moot any subject we please during discussions we shall be taking part in today and tomorrow. I believe the outcome of the preparatory consultations, which is embodied in the Foreign Ministers' report, will be a great help to us as we endeavour to reach agreement. If we can confirm the agreement we have already reached on many points in the report, we might then concentrate on one or two matters on which we apparently hold divergent views.

Mr President, I feel it is my duty, as Premier of the country that is now presiding over the Council meeting, to underscore what has already been done to assure the success of this Conference. In doing so, I have established a link with the European Community, which will be the central theme of our talks.

Please allow me now to make a few general observations on behalf of the Netherlands Government.

At The Hague, the governments took decisions in three major spheres which were succinctly and lucidly epitomized by the French during the preparatory talks with the words "achèvement" (completion), "approfondissement" (deepening) and "élargissement" (enlargement).

As far as *enlargement* is concerned we can now state that the decision taken at The Hague has been implemented. Of course, we greatly deplore the outcome of the referendum in Norway. Perhaps in the not too distant future she will reconsider the matter and join us after all. This setback makes us all the happier to see in our midst representatives of the three countries that will in a few months reinforce the European Community. This Conference gives us an opportunity to survey and confirm together with them what has already been achieved in the Community and to indicate the road we shall be treading together in the near future.

The decisions on *completion* taken at The Hague pertained almost exclusively to the conditions for transition to the final stage of the EEC. We have indeed by concerted effort succeeded in effectuating the transition, an achievement which we all applauded at the time, though of course there is no end to our work in the Community. I believe that a great deal more work will have to be done before the European Community is really completed. Greater resoluteness on the part of the institutions is essential.

The *deepening* of cooperation within the Community began when The Hague Conference decided to draw up plans for the gradual establishment of an economic and monetary union.

We can take pride in the fact that the Community's institutions have already made a number of important decisions in this sphere. Nevertheless, we realize that the road to such a union is a long one and that there are many obstacles to negotiate.

I hope, in fact I am confident that we shall be able to remove some of the obstacles today and tomorrow.

If we consider what was discussed during the preparatory talks, we may fairly expect the deepening of cooperation and integration to constitute the central theme of the Conference. Important resolutions with regard to the economic and monetary union will have to be passed or consolidated. We shall have to determine our standpoint regarding the establishment of a regional policy and on some vital aspects of industrial development. As we do so, we shall have to realize that any such moves will have to be accompanied by social measures which will also have to be placed on a common footing.

I should like to say something about the broadening of our common sphere of activities, as well as about deepening. The report of the Foreign Ministers contains an important pronouncement on the subject; it recommends that the legal framework and the institutional system of the Treaties of Paris and Rome be used for such new or supplementary common activities as may be regarded as coming within the general objectives of those Treaties. My Government wholeheartedly endorses that recommendation and is prepared to place a broad interpretation upon it. We should use our strength as efficiently as possible if we are to settle important matters (such as environment policy) which we as members of the European Community wish resolutely to tackle; we should not encourage the further proliferation of European organizations and conferences. Let us all agree once more that the European Community is the sole framework within which we seek to attain unification. What we should do is delimit clearly our several duties and responsibilities in respect of the existing organizations in the broader European or global context with a view to preventing double work.

Mr President, that brings me to the subject of the position of the enlarged European Community in the world. We shall be increasingly confronted with the effect on other countries of the deepening and broadening of our spheres of activity.

The foreign policies of our countries severally have been deliberately designed to further the cause of peace, bring about a *détente* and raise the standard of living throughout the world. Indeed, the world, particularly the less

developed part of it, expects our common efforts within the framework of the Community also to be directed towards the attainment of those ideals. What ever we do, let us resolve not to disappoint the developing countries in this regard; let us give them fresh hopes of a better world to live in.

Another thing we should remember is that the prosperity of our Community depends very largely on trade with other countries and that it is vital that we should retain the custom of countries outside the Community. This calls for the maintenance of good relations with them and a rational world trading system. We should not try to avoid consulting outside countries, both bilaterally and within the appropriate existing organizations. We can only reach agreement if we ourselves are also prepared to make concessions, even to the extent of having to reconsider certain details of what we have together achieved with considerable difficulty.

Whether we shall be able to make some common contribution towards the attainment of a *détente* (I am thinking of cooperation in matters of foreign policy) will partly depend on the extent to which our interests and views become more nearly congruent as a result of the process of European unification. Recognition of the existing interdependence of nations and willingness on our part to consider the interests of outsiders as we frame EEC policies will undoubtedly contribute to a *détente*. Let us make sure that the Community does nothing that might add a further conflict of interests to those already existing.

Mr President, you will have gathered from what I have just said that the Netherlands Government desires the further development of the European Community. Yet we can hear voices more and more loudly expressing impatience and apprehension at present trends in Europe; some of the voices even come from the Netherlands, where the ideal of a united Europe has always had such a profound appeal. Only the top of the iceberg of studies, talks and negotiations being conducted in Brussels is visible, and unfortunately it can hardly be called dazzlingly white. People expect some grand concept and all they hear about is technical problems and compromises. The complexity of national policy-making is seen to have increased sixfold. The success of the negotiations for the enlargement of the Community has of course had a favourable effect on public opinion regarding European integration, but how long will it last? Is it not likely that public opinion would be adversely affected if enlargement is merely seen to result in the negotiations (for that is what the talks between partners in Brussels should be called) becoming still more protracted and incomprehensible, increasing in complexity ninefold, as it were?

If we are to avoid such a state of affairs, it is essential that we should reinforce the European institutions. Now do not expect me to reiterate

Holland's confession of faith in support of a federated Europe. Nor shall I go into the pros and cons of a confederation; I shall not even use the term "European Government". It is common knowledge that the Netherlands holds very decided views on the subject. All I want to do is try to be pragmatical together with our British counterparts and appeal to the sense of logic for which our hosts are so renowned.

The first point I would make is that a marked improvement in the decision-making process could be achieved in the short term even without any modification of treaties; it could be achieved simply by interpreting the agreements more nearly in accordance with their authors' intentions, which were to foster cooperation between the Commission and the Council and bring about a more rational division of responsibilities between them. A number of practical measures would also have to be taken in respect of the Council's procedures. The institutions should discuss these matters without delay.

The second point I should like to make is that our peoples severally will have to be given a much better idea of what goes on in the Community. Greater openness is essential, but I am afraid that if a greater area of the Brussels iceberg were revealed they would still fail to appreciate exactly what was being done. In our countries Parliament is the place where policies are unfolded, new ideas put forward and alternative policies tabled. I believe that, also in the European context, Parliament is the only possible channel through which European policy can be clarified.

Let me hasten to add the third point I would make, and that is that parliamentarians cannot be expected merely to act as sounding boards. They should be made jointly responsible for policy matters; that would both improve the policy and make it more readily acceptable to the nation. How this can be brought about is a perplexing, though by no means insoluble problem.

Lastly, I would put in a strong plea for the election of the members of the European Parliament by the peoples of Europe direct. General suffrage is the foundation of democracy; it encourages the individual to form an opinion as to the policy to be pursued. We shall simply have to have general European elections for the European Parliament if we wish to involve every European in the moulding of European policy and so place that policy on a more solid basis. European-wide elections are indispensable to the deepening of our cooperation, to say nothing of the responsibilities placed upon the Council by Article 138 of the Treaty of Rome.

Mr President of the Republic, Gentlemen, I am quite sure that I have been expressing the convictions of the vast majority of the Netherlands Parliament and that any freshly-elected Netherlands Parliament and any new Cabinet

would have the same convictions. In fact, I am certain, that neither the next Parliament nor the next Cabinet would be prepared to assist in the transition to the second stage of the economic and monetary union without being given some assurance that the Community's resoluteness will be considerably enhanced and that there is to be effective parliamentary participation in policy-making. The competencies to be delegated within the framework of the economic and monetary union are too great for these matters to be taken lightly. The interest of every single resident within the Community are at stake.

Thank you.'

Address by the Prime Minister of Great Britain,
the Rt. Hon. Edward Heath, MBE, MP¹

'Mr President,

You yourself as our host, and Mr Biesheuvel representing the country at present holding the Presidency, have spoken as members of the existing, the original Community. I speak as one of those who are joining it—sadly, without Norway.

We are grateful to you, Mr President, both for having been the original advocate of this meeting and for the excellent arrangements you have made for us.

For you and for the other existing members of the Community this Conference marks the accomplishment of the process you set in train at The Hague three years ago.

For us who are now joining you, it marks the attainment of an objective that has cost us much effort and perseverance.

For us all it will point the way towards the future that we shall build together.

So we are here to consolidate what has been achieved; to set the seal upon the enlargement of the Community; and to address ourselves to the future, to the deepening and developing of the Community, to the work of growing together in strength and prosperity, for the good of all our peoples and the benefit of the wider world.

This is where the challenge lies. We are at the point where we can begin to realize the wider opportunities for which this Community was created—the European idea that lay in the minds of its founders.

¹ Spoken in English.

For the Community is not—it must not be—simply a mercantile arrangement designed to profit its individual members. It is much more than that.

It is a means of harnessing the talents and the genius of our peoples, the experience and the enterprize of our separate nations, into an entity that will occupy a place in the world that corresponds with our heritage.

Together we are setting out today to build something that will be greater than the sum of our individual efforts. *We are seeking, not to submerge our national personalities, but to combine them together into a European personality that will make its weight felt, that will speak for peace and moderation, that will serve and protect the values we share.*

And I see this happening when the structure of power in the world—economic, political and military power—is undergoing changes of historic importance, such as have not been seen in this generation since the sounds of war in Europe died away in 1945.

Both politically and economically the world is working in ever larger units. None of us in Europe, as individual nations, can hope significantly to intervene effectively in world affairs on our own. But we can find our place and make our voice heard, if we work together and act from a common will.

Of course we must work with a sense of priorities, and within the limits of what is practicable. The development of the Community cannot be achieved by new formulae, new procedures, new machinery conceived in a vacuum. That is why it is right that we are discussing first the economic and monetary development of Europe.

In this we are building on what has been created, and laying the basis of economic strength on which our effectiveness in the world will depend.

What we are discussing is no less than a political commitment to manage the economic and monetary affairs of a Europe in harmony, and ultimately in unison; a union which, if we can achieve it, can provide the main driving force towards European integration.

We take as our starting point the existing system of fixed but adjustable parities to which we are committed. The Finance Ministers have taken a significant step to sustain this by agreeing to set up the European Fund for Monetary Cooperation.

These and other measures will enable the Community to form a monetary zone, functioning within the framework of the international monetary system.

So far so good. We must now see to it that Europe speaks with a united voice in the negotiations to reform the international monetary system. Here again, the Finance Ministers have established the foundations of a common position. That work must go on.

But we shall not be able to make real progress towards monetary integration unless we also succeed in harmonizing our more general economic objectives. We must therefore work together towards a closer alignment of our national policies.

For if Europe is to flourish as a single and independent monetary area, the economic conditions which prevail throughout our territories must be similar.

Let me be more specific about two fields in which I believe this Conference should take on clear commitments.

From its earliest days the Community has recognized that special policies are necessary to deal with areas where there are special problems. In the Six, during the last ten years, the regional problems which have been considered were predominantly those of agricultural areas. In the enlarged Community, and in the next ten years, there will be at least an equal problem in industrial areas, as some of our older industries decline and employment opportunities contract.

The first step then is to analyze the problem in the enlarged Community.

This analysis will need to take full account of the major new problems which the enlarged Community will face, in particular regional unemployment and the other consequences of industrial change. It will need to consider what positive action the Community can take to tackle these problems.

We should call for the study to be completed by mid 1973, so that firm decisions can then be taken and can come into effect from the beginning of 1974.

For an effective regional policy is an integral part of the Community's work. It is not just that the consolidation of economic and social progress will be incomplete without it. It is the only way in which we shall be able, as a Community, to correct the imbalances which will inevitably arise between different regions as we move further towards monetary union. For a rigid monetary system without the means of economic compensations within it would surely be too brittle to survive.

A regional policy is thus an essential feature of the Community's economic and monetary union, and must be financed from the Community's own resources.

If one of the aims of a Community regional policy is to accelerate the integration of the European economy on a continental scale, then this should also be the aim of a Community industrial policy.

We need an industrial policy which will enable our manufacturers to realize the potential of a single market of 250 million people. *We need a policy which will encourage the formation of European companies, which are able to*

stand on an equal footing with the industrial giants of the United States and elsewhere, and are capable of making full use of the inventiveness and talents of the European peoples, particularly in the products of advanced technology.

This means abolishing fiscal, legal and technical barriers to trade and to the free operation of enterprises throughout the Community.

Some of the necessary steps have been provided for in the Community's existing resolutions on economic and monetary union. What we need now, I suggest, is a deliberate plan and a prescribed timetable.

I hope this Conference will enter into clear commitments on both these points—the Community's regional and industrial policies. For only thus will we be able to see the European economy integrated on a continental scale.

In all this we must not lose sight of what we are seeking to achieve.

Only thus shall we lay the foundations for the social progress and the higher standards of living which all our peoples seek.

Indeed, why should we not set ourselves the aim of bringing together our aspirations, commitments, and policies in the regional, industrial, agricultural and social fields into a comprehensive social programme for the Community?

There is one further aspect of European industrial policy which I believe to be of great importance to us all. I refer to the question of energy resources.

World demands for energy will continue to increase rapidly. But the world's energy resources are not infinite. The pressure on these resources is increasing. We can already foresee major problems over our supply of energy unless we plan now for the energy needs of the Europe of the future.

I know that attempts have been made in the Community of the Six over the past decade to produce an energy policy, and the difficulties encountered in so doing. But the problems now are both formidable and urgent.

My suggestion is that we commission now a programme for an energy policy for the enlarged Community designed to make the best use of the resources available to us and of the technology which the Community commands.

Mr President, I have been speaking so far mainly of the progress we seek to make in our economic cooperation.

But the political development of the Community must keep in step with its economic consolidation.

The enlargement of the Community will, I hope, bring benefit to its institutions, to their fund of experience, of administrative talent and democratic habit. We shall need, in particular, a strengthening and

enrichment of the dialogue between the Council of Ministers and the Commission, and between each of these and the European Assembly.

For the Assembly, our common democratic principles require a gradual evolution in its role. *This is a large subject, because changes in the role of the European Assembly imply developments in the relationship between that Assembly and national Parliaments, and perhaps even, for some of us, changes in the timetables and procedures of national Parliaments themselves. But I share the wish to see progress made, and I hope that this meeting will commission a full study of the subject, to which parliamentarians with experience of Government should be able to contribute.*

Mr President, the Community is now coming to take its full place as a major power in the world. If we wish it to become a major world power, we shall need to be able to concert our actions, and bring our joint influence to bear, in specific situations and on specific issues, in the political as well as the economic field.

This means working towards a common foreign policy.

We must strengthen our consultation and cooperation in political matters, so that the Community can act decisively and effectively in international affairs, in the pursuit of peace, security and freedom.

So far the external policies of the Community have been mainly directed towards promoting common economic objectives by joint action. That will no doubt continue to be their primary emphasis, though, as I have implied, we must ensure that we weigh the political with the economic as we develop the Community's external relations.

In these relations none of us believes that we should adopt a predominantly protectionist stance, pursuing selfish policies at the expense either of our industrial rivals or of our suppliers of primary products. Our vision is surely a different one. The world looks to us, and it is in our interest, to pursue the liberal trade policies to which we are all committed, and which have contributed so much to economic progress throughout the world since the end of the last war.

There are three separate aspects of the Community's external relations to which we shall be giving our attention at this meeting.

First, the United States, Japan and the European Community are the three centres of industrial and economic power in the democratic world. What Europe needs is a just and stable relationship between these groups. That is in our best interest. And as the Community will be the largest trading entity in the world, we can do much to influence the form and timing of world trade negotiations.

When we come to discuss this in detail, I shall have some specific suggestions to put to you.

Next, there is our important responsibility to the developing nations of the world. They are watching our meeting today with a close interest, because the consequences of enlargement of the Community will be of great importance for them. For the first time the countries of Western Europe have, not only the responsibility which their privileges impose upon them, but also the opportunity and means to apply their energies together in a concerted manner.

There is room for many views about how this responsibility can best be fulfilled. We have suggested as one possible means that in certain cases we should be prepared to lighten the burden of indebtedness by a waiver of interest on aid loans to those countries who face the greatest problems. Another possibility is that we should re-examine the terms and conditions of our aid, so as to make sure that it benefits the developing nations to the greatest degree possible.

There will be differences of approach between us. We must work to close these, because there will be no differences about the objective.

The destiny of the younger nations engages us all from so many points of view—our collective national responsibilities, the history of our societies and their economic growth, man's instinctive desire to contribute to the well-being of his fellows—all these aspects are involved. We can all agree that the problem of bridging the gap between rich and poor countries is likely to prove one of the greatest challenges of all to our imagination and statesmanship in Europe.

The third aspect of our external relations to which I should like to draw attention concerns the relationship between the Community and Eastern Europe, including the Soviet Union.

To these nations our message is clear. What we are doing within the Community is aimed against no one. Our actions are designed to promote stability and prosperity within the Community and in a wider world. We see no contradiction between our work of consolidation and economic progress, and the improvement of relations between the East and West of Europe.

Mr President, I have touched on some of the specific matters on which I hope we can make progress at this meeting.

But, as you have recognized in the speech with which you opened the Conference, we shall have failed if we do no more than that.

Our peoples will expect something more than this of the enlarged Community.

They will seek from us some guidance, some evidence of concerted action, some sign that the Community means something for them, for their daily interests as well as for their ultimate ideals.

Our peoples, and particularly the young, will not respond simply to economic and monetary prescriptions, however important these may be. We have to capture their imaginations. They will want a European concept which implies the power of the Community to do good in the world, to attack the evils that attend our industrial society, the problems of pollution and poverty, of waste and want.

In all we do, we must show that the Community exists above all for the people of Europe. They will judge us by our vision and our determination in meeting their needs, their hopes, and their aspirations.

Let us show that the Europe we build is no empty monument, no bureaucratic blue print, but a living democratic society, concerned with the welfare of Europe's citizens and with Europe's contribution to the world.

For this purpose we must recapture our European voice, the voice which we all of us instinctively recognize: a voice of reason, of humanity and moderation, which can be heard throughout the world.'

Address by Mr Willy Brandt,
Chancellor of the Federal Republic of Germany¹

'First I wish to thank you, Mr President, for having invited us to come to Paris to this Conference.

May I also say how glad we are to see our British, Danish, and Irish friends with us here today around the same conference table. The fact that nine nations with a total population of over 250 million are uniting in the enlarged Community—and in the will to pursue "ever closer union"—is indeed a historic event.

It is important for our peoples, and for many other nations, to know that this process of European unification serves to safeguard and consolidate peace.

Our peoples should also know that this Community is for their own welfare and that it will continue to have great significance for our common progress.

It may be useful to reaffirm the aims of European unification. I am all in favour of it. But I do not believe that anyone expects this Conference to

¹ Spoken in German.

produce futuristic schemes. What can be expected, and rightly so, are realistic decisions for the months and years ahead.

Above all, we must make sure that the enlarged Community will be capable of action—both internally and externally.

Internally, this means that steady progress is made towards economic and monetary union. This will include the creation of the Fund for Monetary Cooperation.

But in our view—because of the common task—it is particularly necessary that at this Conference we should give a signal and take concrete decisions to halt the inflationary trend.

Externally, we are gratified to take note of the agreements by which the Community will be linked with those European countries who do not, or do not yet, wish to join. Here I have also in mind the agreements with the European Mediterranean countries.

At this Conference we shall have to discuss our relationship with our major industrial partners, especially the United States; the possibilities of cooperation with Eastern Europe; and our partnership with the developing countries.

What matters in this context is that the Community, without taking too much upon itself, should indicate its readiness to accept responsibility on a world-wide scale.

Questions of international trade within the framework of GATT and the reform of the international monetary system require of us a single constructive concept.

In the shorter term, we must coordinate our efforts to ensure that the Conference on Security and Cooperation in all of Europe will be thoroughly prepared.

And if, in addition, we can also agree on ways and means of increasing the efficiency of the Community's institutions, this Conference will have produced a good result. The German delegation will make its contribution towards this end.

As you know, elections will soon be taking place in the Federal Republic of Germany. And I presume that you also know that the questions relating to West European unification are, on the whole, not an election issue.

The Treaty on the enlargement of the Community was unanimously approved by the Bundestag which had given virtually the same measure of support to the results of The Hague Conference at the end of 1969 and to the decisions on economic and monetary union taken in 1971.

The most important of the tasks immediately ahead of us is without doubt the further development of economic and monetary union. Since the decision taken at The Hague we have been able to complete first stages in spite of the crisis of the international monetary system and in spite of wide-spread scepticism.

The European Fund for Monetary Cooperation, which we intend to establish at this Conference, represents a tangible part of monetary union. I feel that great importance attaches to the fact that we have come to an understanding on this point.

Even more important, in my view, than the creation of new institutions are at the present time our efforts to define clearly the aims of our economic policy. For the success of the Community depends to a large extent on whether economic growth, full employment and price stability can be brought into harmony.

In some European countries full employment is not assured. But in all European countries price stability is at present the economic goal in greatest danger.

I am concerned about this development, for my Government feels that strong inflationary tendencies may shake not only the economic but also the social and political foundations of the Community.

This Conference should therefore give expression to our common conviction that we want to create a "Community of stability". I feel it is necessary for us to initiate without delay specific measures to be laid down at Community level to secure price stability. Council and Commission should decide upon the details of a programme to this effect at their meeting on 30 and 31 October and should continuously supplement it.

The main objective in our opinion should be to contain the excessive expansion in the supply of money and credit. The international roots of the problem are known. Thus it is all the more important that in the negotiations on the reform of the international monetary system the European Community should pursue a policy designed to promote stability by keeping the growth of international liquidity within reasonable limits.

But, of course, the sources of inflation lie not only in the monetary field. Hence we in the Community must, more than hitherto, make an effort to harmonize our fiscal and incomes policies.

And finally, the Community should, I feel, draw as much as possible on the advantages of the international division of labour. This calls for an outward-looking, liberal trade policy which is in the innate interest of the Community and of its consumers.

It will not be easy to regain price stability. In the long run no country will be able to do this alone. But together we can make it. The people in our countries expect this Conference to give a signal for stability. We must not disappoint them.

I am glad that the first item on our agenda also concerns "social progress". To me it matters very much that our people realize what this Community does, and can mean, for the improvement of their living and working conditions.

Social justice should not remain an abstract concept and social progress should not be taken to be a mere appendix to economic growth. If we can put social policy into a European perspective, then many of our citizens will find it easier to identify themselves with the Community.

I suggest that this Conference instruct the institutions of the Community to prepare without delay a programme of action. As a contribution to this I have had a memorandum drawn up on this subject which has been circulated.

Regional policy also belongs here. Serious regional imbalances must be gradually levelled out. The Federal Government would agree to funds being allocated for this purpose from the Community's own resources at the beginning of the second phase of economic and monetary union, in addition to the means immediately available from the agricultural fund.

Social policy which is concerned with improving the quality of life of our citizens, should also include a common policy for the protection of the environment. I suggest that this Conference instruct the institutions of the Community to draw up a programme of action as soon as possible on the basis of the preliminary work done in this respect. The Federal Government regards the meeting in Bonn to which it has invited the ministers responsible for environmental matters as a step towards that goal.

Economic and monetary union also embraces common industrial, science and technology policies. Not much has happened in these fields since The Hague Conference. Our efficiency in international exchanges, in particular our possibilities for cooperation with Eastern Europe, do, however, largely depend on this.

I suggest that the Conference invite the institutions of the Community to make proposals, within the shortest term possible, on the basis of the preparatory work as to what specific progress can be made in these fields within the foreseeable future.

We are rightly concerned with the question how we can better equip our Community's institutions to fulfil their tasks, both old and new, quickly and effectively.

At the present time there is no question of amending the treaties. But in view of expected developments, and especially in connection with economic and monetary union, we shall not for very long be able to skirt the need for institutional renewal.

Today I will confine myself to issues within the scope of the provisions of the treaties:

The *Council's* ability to make decisions must be improved. To achieve this there should be a greater degree of permanence and streamlining in the Council's work in Brussels. As you know, my government has submitted a proposal on this question which would ease the burden on the Foreign and Economic Ministers and at the same time facilitate coordination within Member States.

The powers of the *European Parliament* should be strengthened. I suggest that the Conference instruct the Community's institutions to draw up within a short time a plan for the gradual extension of the Parliament's budgetary and legislative powers and controlling rights.

In addition, there is the question arising from the Treaties of Rome as to the election procedure. I wish to make it quite clear that direct suffrage is supported by a great majority in the Federal Republic and that the Bundestag has repeatedly called for it. But I shall be equally frank in saying that little is gained if one merely talks about direct elections.

Until such time as they are possible let us not detract from the democratic legitimation of the delegates designated by their national parliaments. Nor should we overlook the fact that a considerable proportion of parliamentary control—that is, in so far as it affects the policy of governments in the Council—of necessity remains in the hands of the national parliaments. For the moment I would attach most importance to increasing the status of the Parliament.

In our deliberations on these questions we should not underestimate, let alone forget, the *Economic and Social Committee*. I feel that it should be given a certain right to deal with matters within its sphere of competence on its own initiative.

And finally we should ensure that the well-established Community system should be extended to all spheres that should form part of the process of integration leading to economic and monetary union. There are possibilities for this which do not require any amendment of the Treaty, and they should therefore be exhausted.

In the years ahead we should concentrate on the progressive and closely interrelated further development of economic and political unity.

I have said on other occasions, and I do not intend to make a secret of it here today, that in the course of development a reasonably organized European Government should be created which could take the necessary decisions in areas of common policy and whose actions would be subject to parliamentary control.

This would bring us into a time when our Community—beyond our cooperation in matters of foreign policy, which I hope can be substantially intensified even now—will be regarded also as a political community.

The Federal Republic of Germany is prepared to take this course. We realize that it will first of all be necessary to press on with developments in individual spheres of Community activity. It is therefore all the more important that we should achieve tangible progress year by year and that we should be able to report on such progress in a way that people can understand.

At The Hague I began my speech by regretting that internal Community problems had diverted our attention from the central task: the Community's external relations.

Today this task must be given the rank it deserves.

The enlarged Community cannot be content with being present in the world merely on account of its economic weight. Its presence must serve general political tasks. But the Community and its Member States will not be able to contribute to more reason and conciliation, to more peace and prosperity in the world until they act together as closely as possible on the basis of carefully prepared common positions. Our internal identity must increasingly be matched by our external identity.

This means that our efforts in shaping the Community's external relations will have to be considerably intensified and our individual views increasingly harmonized through cooperation on foreign policy.

Regular talks with our partners in the world will help the Community to establish its identity more clearly. The Federal Government therefore urges that we should decide here to initiate an organized dialogue, beginning with our most important partner, the United States. We should instruct the institutions of the Community to conduct a regular exchange of views at high level.

Western Europe and America need each other as self-confident and equal partners. I therefore welcome what the President of the United States said about "dynamizing" America's relations with Western Europe.

Of late, both sides have been thinking too much about their own short-term interests. They should endeavour in future to solve tasks arising from their international responsibility by coordinated effort.

A regular exchange of views should also be gradually introduced with other major partners in international trade. I think in this connection of Canada and of course also of Japan.

All of us will agree that one cannot put up an artificial wall between foreign trade and foreign policy. The nature of the Community as a major economic factor in the world requires the coordination of foreign trade policy and foreign policy.

Logically, therefore, Community activity and cooperation on foreign policy should be linked together in a way that best suits the purpose of the matter in hand. The process of political cooperation which was started after The Hague summit meeting and has since progressed reasonably well needs further development.

The consultations among the Foreign Ministers are only one element of political union which we decided at The Hague should be progressively developed. Thus, in keeping with the mandate contained in the Luxembourg Report, I suggest that our Foreign Ministers be instructed to submit as soon as possible concrete proposals in a "Second Report".

When we discussed the first item of the agenda reference was already made to the reform of the international trade system within GATT by introducing decisive measures of liberalization and also to the reorganization of the international monetary system within the framework of the International Monetary Fund by comprehensive measures to further stability. I suggest that we give instructions for Community concepts to be elaborated as quickly as possible which we should then put forward jointly in these organizations.

In so doing the Community should present itself as an outward-looking partner, ready for cooperation and aware of its responsibility.

This also applies to our relations with the Soviet Union and the countries of Eastern Europe.

Since The Hague Conference the Federal Government, in trustful cooperation with its Western partners, has eliminated those obstacles in its relations with the Soviet Union and other members of the Warsaw Pact which could not have been removed by anyone else. Thus we have made our contribution towards improving the conditions for cooperation between the West European and the East European halves of our continent—notwithstanding continuing and unbridgeable differences. We Germans hope, of course, that the exchanges between the nations of East and West will also benefit our own people.

The Community should declare its readiness to make its knowledge and skills available for this purpose at the forthcoming Conference on Security and Cooperation—especially within the scope of our common trade policy upon

which we are about to embark. I suggest that we should agree here to act at the forthcoming Conference in all questions of common concern from a basis of coordinated positions.

In being prepared to cooperate with others, the Community is not questioning its own existence, as some people may fear, but rather strengthens its own identity. It can gain only by seeing itself as an integral part of a new system of "trustful coexistence" in the whole of Europe.

We start from the assumption that the Soviet Union and the countries of Eastern Europe will base their policy towards us on the existence of the Community as established by the treaties and on its political finality. This, incidentally, is largely the impression I have gained in my talks with Soviet leaders.

In their relations with the Third World, the Six, through their association with numerous African countries, have created an international model for a link between industrial countries and developing countries, based on equal rights and equal institutional representation. This system must be continued with the inclusion of comparable countries from the Commonwealth who desire participation in the wake of enlargement, and also the Mediterranean countries concerned.

The Mediterranean—and this should not be left unmentioned—is a region of vital importance to the European Community.

However, the area covered by association agreements, which is characterized by its geographical proximity to and historical links with Europe, should not be extended. Furthermore, our association policy should be embedded in a worldwide concept which shows the Community to be a partner of developing countries in Asia and Latin America as well.

I suggest that we should in principle be ready to merge our national development policies gradually within the Community, and to request that concrete proposals on this respect be submitted within a short term.

As regards global development policy, we should seek close cooperation with America, Japan and the other industrial countries.

With every understanding for the great demands we are faced with, we shall have no option but to make allowance for the acute problems and general capacity of our own national economies. Schematically fixed percentages for financial contributions seem to me to narrow the problems involved. They blind us to numerous other courses of action open to us.

One of these, and not the least important, is the readiness not only to accept structural changes in our economic system but even, where necessary, to support them, perhaps also within the framework of the Community. This would give the nations of the Third World a better position in our markets.

Unlike the conference at The Hague we have this time a much broader list of questions before us. What matters to me is that this Conference lays down the measures now possible in a realistic and sober-minded way.'

**Address by Mr Anker Jørgensen,
Prime Minister of Denmark¹**

'The instruments of ratification of Denmark's accession to the European Communities were deposited yesterday in Rome. Together with the United Kingdom Denmark has now taken the last formal step towards membership of the European Communities.

May I take this opportunity to express the satisfaction and the expectations with which we enter the enlarged European Community. This is a truly historic occasion. We see the enlargement of the European Communities as a promising step towards safeguarding Europe's peace and security and as a basis for a constructive European contribution to international cooperation.

May I also take the opportunity to assure our partners of our determination to contribute in a constructive way to our common objectives.

Our membership of the communities was confirmed on the second of October by referendum. Nearly two thirds of the voters voted Yes. The Danish people thus made a clear declaration for our entry into EC.

In Norway, a country to which we feel deeply attached, the outcome was different. I am confident that the Communities will continue to show understanding of the Norwegian problems and take a flexible attitude in the coming negotiations with that country.

The positive outcome of our referendum should not let us forget that nearly one third of the Danish voters were against membership. It is important for the future of the Communities to try to understand why so many people voted against membership. I believe, that their most important criticism was that the work of the Communities has concentrated too much on problems which today appear outdated to many people. We can not afford to ignore these sentiments.

¹ Spoken in Danish.

In this connection I also would like to refer to the result of the referendum in Greenland, which as an integral part of Denmark enters the Communities by 1 January 1973. The majority of the voters in Greenland were against membership. They seem to fear that the European Communities will not show sufficient understanding for the special problems in this arctic area.

Our Community-partners will, however—I trust—prove this fear unfounded.

The Faeroe Islands, as a self-governing entity within Denmark, did not participate in the referendum. They will within three years themselves decide whether they want to enter the Communities. Also the specific problems of these islands will no doubt be met with understanding.

In their first years, the European Communities clearly had to concentrate on the tasks laid down in the Treaty of Rome. Economic growth and improvement of the standard of living were to be attained through the creation of a common market. The European Communities have certainly been the framework for an impressive development in these respects.

During the sixties, however, new attitudes have emerged. Economic growth is no longer accepted as an end in itself. The well-being of the individual has come into the foreground. This trend is probably one of the most important aspects of modern development. In the minds of many people the European Communities have come to be identified with the idea of growth for its own sake.

This is not a fair criticism. European cooperation has certainly contributed to the consolidation of peace in Europa and has tremendously improved the standards of living. New tasks now lie before us. There is an inherent dynamism in European cooperation. This dynamism can be used to cope with the problems which could not be foreseen, when the Rome-Treaty was drafted. To demonstrate that we have the will to do this should be a main objective of this meeting.

The immediate task is to consolidate the achievements already gained. A realistic continuation of the policy of détente towards Eastern Europe presupposes a dynamic European Community. A Community which is an effective partner politically, economically and socially for the other industrial countries and for the developing countries.

Cooperation in the Communities should now be directed towards the problems that are in the foreground of public debate in all member countries. We should aim at creating the conditions for a better life for the individuals in the industrial society. A clear declaration that we intend to do this may mark the beginning of a new era in European cooperation. The Europe we wish to create must appeal to the imagination of new generations.

Today we have to deal with pollution, ecology, control of the impersonal economic forces—among others the multinational corporations. We must achieve industrial and economic democracy.

Of course we can not give up economic growth. It is basic for the reforms and improvements of society we want. But growth must be controlled. It must be used as a means towards improving the quality of life in the industrial society.

I would be content if in this way we could establish the guide-lines for our future cooperation. That would put the Communities on the right course.'

**Address by Mr Gaston Eyskens,
Prime Minister of Belgium¹**

'From early 1971 the Belgian Government favoured the calling of a Conference of Heads of State and Government in 1972. When the Community was enlarged it seemed to us that we had to solemnly confirm some of the options we had already taken and define new guidelines to achieve this Union of Europe which is still our final political objective. We hope that this Paris Conference will be able to make significant progress in three directions:

- (i) In strengthening the political ties between the Member States of the Community;
- (ii) In developing and intensifying Community action;
- (iii) In affirming, for external policy, a European personality.

I. When we examine the Report prepared by the Foreign Ministers, we find a fundamentally important premise. Our nine countries confirm their resolve to install in the heart of the European Community the entire process of economic and monetary unification. This means that all the increasingly important decisions towards achieving the Economic and Monetary Union on 31 December 1980 will be taken under Community rules, namely: Commission action, Opinions of the European Parliament and Council Decisions. This also means that if budget problems arise, they will have to be solved by using the system of Community own resources and that our commitments are answerable to the Court of Justice.

¹ Spoken partly in Flemish and partly in French.

As our States have already agreed in the Resolution of 22 March 1971, "as progress is made towards the final objective, Community instruments are created where needed to take over or support the action of the national ones".

Henceforth, all policies geared to achieving the Economic and Monetary Union and social progress will be handled under Community rules. This covers regional, industrial, scientific and technological, social and human environment policy. I shall take the opportunity later to define the practical results we hope to get in these various sectors.

But, whatever the value of this decision, it does not satisfy completely because it does not completely meet the political objectives we have set ourselves and which up to now have only been written into the Treaty preambles and the statements we made during previous Summit Conferences.

The various Community moves which we have just decided postulate the commitments in the political sphere. Attainment of Community objectives and setting up a Political Union are inseparable. To convince you, let me quote three examples:

How do we achieve a Mediterranean policy in the Community unless we have already defined its basic political objectives? How do we get a commercial policy unless we define the principles which will guide our attitude towards the eastern countries? How do we succeed in pooling our monetary reserves and accepting budgetary directives unless we define the kind of Union which we will have?

President Pompidou drew our attention to this problem in his press conference on 21 January 1971 when he brought up the idea of a confederation and defined Europe as a "Confederation of States resolved to harmonize their politics and integrate their economies".

Now the Community is enlarging we must confirm as clearly as possible the resolve to unite our actions in all fields. The Belgian Minister for Foreign Affairs said in Belgian Parliament on 7 June this year, "We are ready to name "European Confederation" all our new commitments towards a more complete unity". We are ready again today. We hope that at the end of this Conference our joint resolve will be affirmed to prepare the approach to a united Europe and, scrupulously observing the Treaties already written, to strengthen our political, economic, social and cultural ties to found a complete European entity. The key is not in the use of this or that definition but in determining whether our collaboration will always be confined to sectors or whether eventually it will become universal. Our peoples are waiting for this basic question to be answered. On the basis of the commitment we shall make, we must think carefully about the features of the future executive, legal and judicial powers of such a European entity.

In talking about such basic ideas we must naturally also behave with a sense of responsibility and not dream of projects whose achievement is beyond our strength or possibilities. We cannot here and now define the concept of union but we can adopt a procedure which has served us well in the past. Could we not ask a political figure or the Foreign Minister of the State which takes on the Presidency to prepare, before 1 July 1973 and after approximate consultation, an analysis of the problems in achieving this entity?

The Foreign Ministers could then study this paper and submit a report before 31 December 1973. Obviously these time limits are theoretical and can be amended if they do not seem realistic. In doing this, we would be demonstrating our resolve to give more body to our end objective and at the same time selecting a procedure which would insure us against possible disillusion.

If we cannot specify right now the content of the union, I would still like to say very clearly what, in our view, it is not. The integration process accomplished within the Community through the Paris and Rome Treaties can obviously not be altered. Indeed, we have just boosted it through the decisions which we shall take during our Conference. The terms of our new collaboration, stemming from the additional political commitments which we make, must take into account what is being achieved at Community level, for there can be no question of creating a parallel decision centre. The links between our decision procedures for Community sectors and for the others must be the target of the analysis we have proposed.

In affirming our resolve to move forward towards the union of our States, we shall have killed the uncertainty over our opinions. But we shall not have fulfilled the expectations of our peoples unless we bring the European citizen into the construction of Europe.

We suggest that this Conference makes two moves: first, to decide in times to be agreed on, practical steps to encourage the movement of youngsters within the Community and allow them to make full use in our Member States of the diplomas they have gained, regardless of where they have studied in the Community. Then, Member States' subjects who have lived say five years in other Member States are to have a voice in the decisions of their local community.

Having defined these two principles at this Conference, our Ministers should activate them within an agreed time.

II. Let me now briefly mention the areas where the Belgian Government hopes for practical guidelines from our Conference.

First, the Economic Union and Monetary Union and social progress. The results from our Foreign Ministers in Frascati are certainly very interesting, but we want to go further than that. We hope that the European Fund which we are going to bring into being will have available during the first half of 1973 more substantial financial aid than that envisaged now and will allow Member States using it to get more flexible repayment terms. It is only on this condition that we can really maintain between us the restricted fluctuation margins. We should also set the date for our decision to equip the Fund with own resources.

We also propose that a precise procedure be laid down allowing our States to speak with a single voice and defend joint positions during the work beginning within the Group of Twenty, for the Community has a contribution to make and its own responsibilities in the reform of the international monetary system.

We are well aware that we shall not get this result in the monetary field unless we turn our resolve into the reality of economic concertation. We must make the appropriate commitments over genuine and obligatory consultation and for effectively combating inflation. We shall have to take steps over this in the monetary and budgetary area.

We fully understand that some Member States hope to show their subjects that Community solidarity is a reality and that the Community is mounting effective action in the underfavoured regions. We must resolutely commit ourselves here. Belgium is ready to do so.

In The Hague we affirmed our resolve to develop a common policy in the scientific and technological field and we got scarcely any results. We are hoping that an action programme providing for coordination of national policies within Community Institutions and the joint carrying out of Community projects will be drawn up. In this context, the affirmation of our resolve to equip Europe with a capacity for supply of enriched uranium is vitally important for the future.

Guidelines for the industrial sphere are still needed to foster the alignment of undertakings in the enlarged Community and ensure that they are in harmony with the Community's social and economic objectives. We must also define a policy for redeveloping industrial branches in trouble or decline, and under socially acceptable conditions.

The German Delegation has submitted an important paper strengthening the Community's social responsibilities. We endorse this guideline and in our declaration we must follow up these intentions.

III. Our Community must assert its identity more strongly. For this it must be strengthened and I am not going back on what I said at the start on the importance of the decisions we shall take to intensify Community activity. The best way to strengthen the Institutions immediately is to clearly assign new responsibilities to the Community and handle these major sectors of our economic and social cooperation under Community procedures.

We shall have to talk about the problem of Parliament. We should differentiate here between the issues of Parliament's authority and the way it is elected. We should like the Conference to affirm our resolve to respect the fundamental democratic principle by which any decision must be monitored by the people. This means that as our national Assemblies lose their European authority the European Parliament must take up this basic job. We are waiting for the Proposals which the Commission is to make and we must, as quickly as possible in line with this commitment, amplify the responsibilities of the Assembly.

Concerning the way Parliament is elected, we must allow for the Community's enlargement and ask the Assembly to work out a project in line with Article 138. We should also undertake that before the end of the adaptation period for the new Members the Council of Ministers will, under Article 138, have taken a position on this problem and recommended to the Member States measures to be taken as under their respective constitutional rules.

We have closely followed the work our Foreign Ministers have done within the compass of cooperation over external policies. They got some results, but we should decide that from now on they step up the pace of their consultation. Could we not agree that each Council of Ministers should be the reason for a consultory session to be prepared by the Political Committee?

Our continuing efforts to give our Community its own personality will mean greater responsibilities in the field of external policy. Indeed, individuality emerges only in comparison with and in relation to others. Without diminishing in any way our loyalty to our long-standing alliances, there is our own action to be carried out. First and foremost our Community must accept a special responsibility towards the developing countries. This political task matches a tradition of our civilization, meets the expectations of our public opinion and is scaled to the new possibilities at our disposal thanks to Community action.

This key political statement must be backed by commitments showing our resolve to turn words into deeds. Without going into details, we would have to affirm our resolve to allot, from 1975, 1% of the gross national product for public and private aid. For the period 1975-1980 we propose the further

commitment of reserving for the developing countries 1% of the new resources which during this time our economic growth will yield.

Our relations with the industrialized countries are a key factor since the interdependent economic developments demand solidarity and create convergence of interests. At the end of the Conference we shall affirm our resolve to take an active part in the GATT negotiations. Although the negotiations themselves can only proceed within this framework, why should we not profitably set up a more logical dialogue between the Community and our chief industrial partners? A European identity means a joint attitude towards these problems and cuts out any risk of our industrial partners profiting from the dialogue at the expense of our integration.

We shall also have to reaffirm our resolve to intensify with all the European nations a cooperation which must strictly observe the demands of a common commercial policy.

Europe's contribution to the policy of détente is well known. Our success still hinges on keeping the solidarity between us. We must bear this in mind in our attitude at the Conference on European Security and Cooperation.

Lastly, I should like to add a general thought.

Those politically responsible for developing Europe's integration need more and more to think systematically over the problems looming before European society over the next fifteen to twenty years.

Just when the European countries are spontaneously directing their long-term future through integration schedules often covering more than ten years, it would be a pity if they did not try to foresee and assess the range and interaction of the many trends discernible in our social life. From the phenomena thrown up by these developments we can get a better grasp of the challenges, the constraints but also the potential facing Europe over the next fifteen to twenty years. Through the targets to be reached and the reefs to be avoided, the political leaders will be able to get a clearer picture of the end results of integration and reveal the choices we must make to attain the defined goals.

So it does not mean that we jointly plan our economic development—that is the job of the Medium-Term Political Committee—or that we put up some new centre to study our society's future. We already have some in our universities and even at European level.

To solve this problem, there is no need to assemble a new institution which would pull in many research workers from the various disciplines involved in this kind of work.

But what does matter is for the Community bodies to have the responsibility and the resources to get these studies made, rank their priorities and put out the results in such a way that they count in the decision process.

In other words, we would be making a joint project out of the study on Europe's "becoming" and putting into it the maximum available weight.

The Belgian Government is convinced that the Conference must provide political guidelines for our development over the next ten years. Public opinion expects it from us. We must try not to be overambitious so as not to let down premature hopes but we must also be wary of an overcautious advance which would disappoint the European citizens and our peoples.

We hope that the proposals we have laid before you match this dual objective.'

**Address by Mr Giulio Andreotti,
Prime Minister of the Republic of Italy¹**

'I thank you, Mr President, for your kind invitation providing us the occasion for this meeting of fundamental importance. The patient and fruitful work of the Ministers of Foreign Affairs and of the Ministers of Finance provided a clear premise for this Conference which, coming after the one in The Hague, should define the new goals of our common tasks.

We are happy to welcome amongst us the Prime Ministers of the United Kingdom, of Denmark, and of Ireland to whom I address my cordial welcome. Their countries' contribution to the Community will enable us to regard the future with greater confidence.

Mr President,

At the basis of the Treaties of Paris and of Rome there was the conviction that we could arrive at the political unity of Europe by steps, through developing the economic integration policies established by the Treaties. That was, at the time, a wise and realistic decision which will enable us, within eight years, to realize the economic and monetary union of Europe. Therefore, the decision to create now the "European Monetary Cooperation Fund" shall be fundamental.

We think that it will be necessary to provide the Fund with more ample powers and means, and to pool, gradually, part of the reserves.

¹ Spoken in Italian.

We hope we shall come to a decision of principle on these issues in the course of our meeting thus confirming and developing the agreement we have already reached so that we may rapidly investigate them within the competent Community institutions.

These considerations lead me to underline the necessity for Europe to adopt a "common position" during the negotiations for reforming the world monetary system. The "eight points" of London and the consensus that has emerged among our countries at the recent assembly of the International Monetary Fund constitute the basis of this common European position. This position will have to be clearly evident in the mandate which we together shall have to give the Commission for the trade negotiations due to take place in GATT in 1973. During such negotiations a healthy liberalization of world trade may be brought forward.

I am happy to note agreement on the necessity for a close parallel between progress in the field of economic union, and development towards a monetary union. This is a necessity that is strongly felt by Italy, whose economic and social structures—characterized by deep regional imbalances—could not cope with a *homogeneous* monetary system without risking further tensions.

I must therefore emphasize the determining importance of an *effective structural and regional* policy, endowed with adequate means and instruments. In this regard, we deem fundamental the creation of a "Regional Development Fund", maintained with "ressources propres", and also of a "European Financial Fund" to transfer the resources from the central areas of the Community to the peripheral ones.

Our Conference, therefore, should affirm the *evolutionary character* of the Community's regional policy. The "Regional Development Fund" should be created without delay, even though we believe that it should begin operating only on 1 January 1974.

In this same context, I would wish to underline our common interest *in containing inflationary factors* which, for various reasons and to various degrees, affects all our countries. Therefore, I wish to recommend that the Community be given the appropriate instruments of control and stimulus in order to undertake coordinated and effective action.

I wish moreover to underline the close connection amongst the regional policy of the Community, the problems of the environment, and in general the problems connected with an industrial policy which takes into account territorial decentralization.

Furthermore, in relation to the launching of a European industrial, scientific, and technological policy, the regime regarding multinational companies must be examined in depth.

We believe, moreover, that the Institutions of the Community must establish a plan for social action *within 1 January 1964*, increasing in particular the European Social Fund.

As you are aware, Mr President, the Italian Government has maintained that the Summit Meeting should take place before the official birth of the enlarged Community, and before the preliminary phase of the Conference on European Security and Cooperation. This explains why we are convinced, without ignoring the priority at the present moment of certain issues, that we must provide an answer to general questions such as how shall the new European Community face the challenges of post-industrial civilization and what "European" perspectives can it open for our peoples and especially for all those who still do not seem to understand its meaning.

Obviously, we must, first of all, create a more democratic Community in which our peoples can recognize themselves in order to ensure that the work accomplished in common will not be nullified by the indifference of wide sectors of our national societies. Our Community must be increasingly open to America and to the other highly industrialized countries, to which we are bound by a common outlook. Likewise we must intensify our dialogue with the countries of the East. Finally we confirm our deeply felt interest to develop the relations of the Community with the developing countries.

The achievement of a common position, regarding also the political aspects of the Conference on European Security and Cooperation, seems to us of fundamental importance. We should favour the unitarian political vocation of the Community, which is implicit in the Treaties of Rome, and we must orientate ourselves towards its international recognition.

Therefore, the Italian Government believes that our countries, during the preparation and the course of the Conference on European Security, should assume common positions especially regarding issues of a political nature which constitute the fundamental aspect of the great negotiation whose preliminary phase is about to begin.

In constructing Europe we must carefully consider the issues regarding cultural and social life. The Bonn Summit meeting in 1961 already established to extend cooperation amongst the Six so as to include problems regarding teaching, culture, and research. Subsequently, during the meeting at The Hague in 1969, the necessity to associate youth more closely with the construction of Europe was underlined.

I believe that it will not be difficult to agree upon a way to cooperate in this broad field, and I trust that an ad hoc Committee can begin working in order to submit proposals.

In this same regard, we could as of now decide to *establish a European citizenship*, which would be in addition to the citizenship which the inhabitants of our countries now possess. It should permit the citizens of the Community countries, after a stay of a certain length in one of our countries, to exercise some political rights, such as that of participating in communal elections.

Mr President,

The *institutional strengthening* of the Community remains a fundamental issue, which, in its short-term perspective, is strengthened by the qualitative advancement which the enlarged Community is about to achieve with the launching of the Economic and Monetary Union. The commitment to achieve this Union within 1980, involves, in itself, a strengthening of the Community's Institutions. This contributes towards explaining why the Italian Government is in favour of electing the European Parliament by direct universal suffrage, and of extending its powers.

The Parliament is the symbol of the democratic character of European unity. It ensures the consent and the support of public opinion in all its social classes, and lays down a solid basis for the unitarian construction.

In spite of our profound desire to establish a fully representative Parliament endowed with greater real powers, we nevertheless recognize that the entry of United Kingdom, Ireland and Denmark entails the necessity for the Parliamentary Assembly of formulating a new project for the election of its members by direct universal suffrage according to the Rome Treaty. However we should decide as from now a date within which the Council must decide on the Assembly's proposals.

Of equal importance is progress to be accomplished in the field of foreign policy cooperation.

This cooperation had a good beginning with the Luxembourg Report and with the activity of diplomatic harmonization which it originated. Today, we must intensify our efforts in order to gradually attain the objective of a common foreign policy.

We should therefore intensify Community consultations, and—in the first place—increase the frequency of the Ministerial meetings concerning political cooperation. The Foreign Ministers shall examine this question in the new Report on the progress of political cooperation which they shall submit in 1973.

However, we should begin to take certain initiatives that will impress public opinion with the fact that the relations amongst our States are no longer those binding nations of normal international society. One may for instance

underline with a special definition the specific functions of our representatives in our capitals, thus emphasizing the new character of inter-communitarian relations.

Mr President,

These are the ideas and the proposals with which Italy participates in this meeting, which we believe to be an important date in the history of our Community. It is a Community entirely dedicated to the interest of peace, to the development of our peoples, and to the action which our Continent must perform throughout the world.'

Address by Mr John Lynch,
Prime Minister of Eire¹

'I wish to join in expressing thanks and appreciation to our distinguished host, the President of the French Republic, for the excellent arrangements which have been made for the Summit Conference and for the warm welcome which he has extended to us.

It is President Pompidou whom we acknowledge as the initiator of the idea for the holding of such a Conference. That idea today becomes a reality. My Government, confident at that time that Ireland's entry to the European Communities would be endorsed by the people, welcomed the original proposal that a Conference be held. We recognized the need for the members and prospective members of the Communities to come together, prior to enlargement, to take certain decisions. These decisions were most desirable, not only to give impetus and discipline to the important task of integrating the acceding countries into the Communities but also to help the Communities to embark on new tasks and assume those wider obligations which the vision of their founders and the logic of their achievements to date demand.

My Government, therefore, warmly welcomed the agreement reached, following the valuable preparatory work of our Foreign Ministers, that this Summit Conference should be held. The Foreign Ministers have established that a sufficient basis of common agreement exists between our nine Governments on those subject areas which form our agenda.

Our Governments are all agreed that concrete decisions should emerge from this Conference—not merely general declarations of goodwill. But let us search not only for concrete decisions, but also for decisions which are positive, imaginative, and worthy of the occasion. They must be decisions which

¹ Spoken in English.

measure up to the hopes and expectations of our peoples and they must, in a real and transparent way, strengthen and develop the new Europe which is now emerging.

The successful conclusion of the negotiations for enlargement of the Communities has brought hope to the peoples of our nine countries that the building of Europe can now proceed with renewed inspiration and energy. This is what we all want, this is what the peoples of our countries hope and expect. It would be a blow to the construction of a united, prosperous and peaceful Europe if those hopes and expectations of our peoples were now to be disappointed. So a great responsibility lies with us at this Conference. Our deliberations must point the way clearly ahead to a Community which not only provides stability and growth but also—and most importantly in the eyes of our peoples—to a Community at once progressive and humane. Therefore, in considering the matters before us and in reaching decisions on them we should, I suggest, give full regard to the aims and aspirations which the founder-members of the Community have set for themselves.

The Community was seen as laying the foundation for the creation of an ever-closer union among the European peoples. This surely remains our real goal and all our deliberations at this Conference must be closely related to it.

The founder-members resolved to ensure the economic and social progress of the member countries by common action. We should reaffirm, as prescribed in the Preamble to the Treaty of Rome, that the essential objective of our efforts in the enlarged Community must be the constant improvement of the living and working conditions of our peoples. Furthermore, we must commit ourselves, as the founder-members did, to reducing the differences existing between the various regions of the Community, and the backwardness of the less favoured regions. The achievement of steady expansion, balanced trade and fair competition and the progressive abolition of restrictions in world trade—these too were tasks which the Community originally set itself and which we—the countries of the enlarged Community—should continue to pursue actively and positively. We must also recognize, as the founder-members did, our joint obligation to help the economic and social progress of the developing countries.

It is the earnest wish of my Government that these aims and objectives should guide our deliberations here. I would hope that the conclusions which we reach should closely reflect these aims and objectives and should furthermore give the necessary impetus and authority to enable their achievement to be significantly advanced in the initial years of the enlarged Community's existence.

It is clear that the question of economic and monetary union will loom large in our discussions. The representatives of the Government of the present Member States and the Community's Council of Ministers have already agreed in Resolutions of March 1971 and March 1972 on the achievement by stages of economic and monetary union. The Governments of the acceding countries, including the Irish Government, have accepted these decisions. The imminence of the enlargement of the Communities, the logic of the Community embarking on new tasks and obligations for its own strengthening and development and the economic, especially the monetary, problems that confront us both within the Community and in the international context as well—all these factors point urgently to the need for closer cooperation and coordination between us in the economic and monetary sectors.

There are, therefore, decisions before us on this most important question of the achievement of economic and monetary union in the enlarged Community. But in reaching these decisions it is most important that we do not, however unwittingly, become prisoners as it were of restrictive economic concepts. We must ensure that our economic design is adequate for its fundamental purpose and goal.

It is our view that the regional and social aspects of the economic and monetary questions before us must be given adequate attention to achieve this result. The Community at present has, and the enlarged Community will be faced with, serious regional and structural disparities. These disparities inevitably hamper the achievement of the economic and monetary union which we envisage, but more importantly however, their continuance, especially the under-development of some regions within the Community, would have the effect of denying to sections of our peoples access to the opportunities, the advantages and the benefits of Community membership.

The existing members have recognized the necessity to solve this problem in their proposals on regional policies. My Government see the need in the enlarged Community to expand on this beginning. It is our hope that this Conference would authorize the measures which would permit the development and implementation of adequate Community policies for regions.

My Government also see the need for a greater emphasis on social issues and for consequent effective action to give the Community a greater social content. We are resolved under the Treaties to ensure the *social* progress as well as the economic progress of our countries by common action.

Among the present Member States themselves there appears to be a growing desire to make more effective and speedy progress in social matters. Certainly in Ireland and, I have no doubt, in the other acceding countries the

expectations of our peoples are high in this regard. I would hope, therefore, that we shall agree to match the achievements to date of the Community in the economic field by parallel progress in the social field.

This Conference will also include discussions on the institutional structures of the Communities and how these structures might be improved, made more effective, and where appropriate, strengthened. The Community institutions, with their respective roles and functions, are of course grounded in the Treaties and have served the Community well. Now there is the need to take account of the imminent enlargement of the Communities and of the new tasks and obligations which the Communities will be undertaking.

And there is also a wider question—the question of the democratic content of the Communities and of the need to involve the people as closely as possible with the decisions, policies and workings of the Communities.

We should recognize the danger of our peoples growing apart from the Community of their regarding the Community, as it embarks upon major new areas of activity, as some form of monolithic structure increasingly divorced from the type of democratic control as it is known in our nine countries.

The Community's enlargement will bring an enhancement of its influence and role in the world. The assumption by the Community of a wider range of activities and objectives in the economic, monetary and trading fields renders it most important that we look anew at the Community's relations with the rest of the world.

Our Community must be outward-looking and must be seen increasingly to be so. The status and influence in the world of the enlarged Community will call for the active pursuit of closer and more rational economic and trading relations with the other nations of the world—first with the Communities' associated members—but also with the industrialized countries of the West, the state-trading countries and, of course, and above all, the developing countries of the Third World.

The Irish Government believe that a special effort by the enlarged Community in its relations with the developing countries is called for. We must be prepared to make an increasing contribution towards the economic and social progress of these areas in keeping with the Community's own growing resources. Here the commitment which we make jointly in the fields of trade and aid must be generous yet credible, imaginative yet realistic.

We shall also at this Conference be measuring and planning for progress in the political field. In this work we should at all times keep before us the ultimate goal of union among the European peoples which, in the words of declaration of the Heads of State or Government at the Hague Summit Conference, give the Community its meaning and purport. The political implications of the

proposed new ventures for the Community, the contribution that they can make to the realization of the ultimate political objectives of the Community must surely weigh with us in reaching our decisions.

We must deal also with the question of political cooperation as such between our nine countries. The Hague Summit Conference took a significant decision which led directly to the existing procedures for political cooperation. This occasion demands that we now agree to take these procedures a stage further in keeping with the advances which we hope to make in other spheres.

There are formidable tasks and challenges ahead of us in the enlarged Community. We have here in Paris an historic opportunity to deal with these tasks and challenges. Our decisions at this Conference will be interpreted as a measure of how our Governments—the Governments of the countries which will constitute the enlarged Community—are prepared to meet the needs of our times, the challenges of the years ahead and the aspirations of our peoples.’

**Address by Mr Pierre Werner,
President of the Luxembourg Government¹**

‘Before I turn to the more general aspects of the topics to be covered by this Conference, let me *express our gratitude* to the President of France who took the initiative of inviting us all to Paris and to Chancellor Brandt who was the first to propose a further meeting at this level.

This fifth Conference of Heads of State and Government is *especially highlighted* by the presence for the first time of Her Britannic Majesty’s Prime Minister, the Prime Minister of Eire and the Prime Minister of Denmark together with the Foreign Affairs and Foreign Ministers of the three new Members. We share the regrets that the Norwegian Prime Minister is not here today although we fully respect the democratically expressed will of the Norwegian people.

That recent event shows that Europe’s unification remains a complicated, often misunderstood venture and that we must not fail in tending to her image abroad, an image often distorted by the ponderous adagio implied in the process of free acceptance by the States of new disciplines for political conduct. As that eminent European Mr Monnet put it in his crisp phrase, “The unification of Europe is the need”, a need arising from the growing interdependence of nations and the constraints they find while pursuing their objectives and satisfying needs which a constantly changing technical, economic and cultural world brings to mind. Europe’s unification hinges on a

¹ Spoken in French.

turn of mind, of *a mixture of idealism and interest in the Heads of State who recognize and test the values and the need for their joint action. One basic aim of our meeting is to strengthen this attitude of mind.*

Our meeting in The Hague, three years ago, was the point of departure for negotiations whose successful outcome now enables us to lay the road towards an enlarged Community. It also gave us the chance to see that within the time originally anticipated by the Rome Treaty its implementation could and should be carried through. Lastly, that meeting allowed us to agree that, to tackle new problems and keep up the undoubted success of its first decade, the Community should set itself objectives which, although tougher and more ambitious, stem from the *need to consolidate and amplify the integration already accomplished.*

Even if the Community's success did not always match up to its ambitions, we have to acknowledge that since 1969 new routes have been mapped out.

In spite of all the hesitation and some temporary setbacks, *the Economic and Monetary Union* which we decided to gradually set up is beginning to turn into a reality.

Through our usual approach, that is through the creation of actual solidarity which emerges as legal solidarity, we are pinning much hope on this meeting to ensure a vigorous follow-up for the outlined programme which affords the optimum hope of new development in the Community.

Since last year, in spite of mishaps along the way or perhaps even because of them, Europeans have become more keenly aware of the need for action in this field. They realized that they must *display a European monetary personality* towards the outside world.

The irrevocable nature of this venture should be solemnly confirmed together with our resolve to achieve the Union *by the end of this decade.*

The plan by stages, worked out by the Ad Hoc Group, had anticipated the obligatory transition into the second stage of the Economic and Monetary Union whatever the cost. Now in the Resolutions passed last year, the Governments decided that the first stage was to remain experimental and pragmatic and that it would not end before we had taken stock and then considered if and how we might move on to the next stage.

I am no supporter of cast iron planning or rigid battle orders. But we must realize that a *monetary venture is threatened the moment doubt creeps in* for it hinges on the currencies themselves which begin to ail, from fever or depression, the moment their future blurs. Speculation which breeds on doubt then sweeps in. The Economic and Monetary Union will be credible and

inspire confidence in so far *as we show our resolve to move into the second stage*. Of course, to manage this by the end of next year, *a number of key operations will have to be performed*.

And here, *I expect the Summit Conference to provide a decisive political impetus*.

In saying so, I must forcefully stress the often declared need for *parallel and effective progress in coordinating and harmonizing economic policies*. This is a must if the setting of monetary mechanisms is not to end in disappointment.

I think We must also confirm our resolve to accept the required disciplines to prevent our national policies clashing with the Community objectives which are emerging from the guidelines adopted after the collective comparison of conditions. Here we should honestly draw our conclusions as to how inadequate our coordination has been up to now and make a new *drive on mounting strongly convergent economic short-term and budgetary policies*, more and more in line with the political guidelines emerging at Community level. The unavoidable problems and wavering could be cut down by improving procedures and by *displaying the solidarity at regional and social policy level*, which must go along with joint economic and monetary moves. The interdependence already running through the short-term developments should help this concertation process.

We are especially conscious of this interdependence now when our Governments are grappling with the *inflationary trends* which on the national front we are having a very hard time in crushing. Naturally, national variations prevent an over-rigid approach. But our mutual target must be *stable growth*.

But here again we as State and Government leaders must set the ball rolling.

This means that:

- (a) we undertake to follow some guidelines laid down within a Community procedure after comparing the individual needs and requirements of Member States;
- (b) we undertake to help the Community Institutions in performing their highly complicated jobs;
- (c) we honour the Community procedures and apply the joint decisions throughout.

What happened last year showed how far *things monetary and things economic are interlocked*. They react upon each other. But the developing scene sometimes forces a firm choice to break the apparently vicious circle.

The precarious international monetary situation is now coercing us into an *approach from the monetary angle*.

Both the internal coordination and the external situation of the Community command us to arm it with the *European Monetary Cooperation Fund* which would help to marshal on a multilateral basis all the concerted action over monetary tactics and mutual support imposed on the European Governments and Central Banks, at least in today's monetary uncertainty. This Fund should really be a *tool to serve a jointly defined policy* all the more that the fact of transactions being expressed in European units of account would be a further milestone in European cooperation.

Moreover, we should look beyond the allocations already granted by the Finance Ministers to see whether an *immediate or very swift endowment of the Fund with reserve resources* matching a certain percentage of national reserves would not be a more effective token of our solidarity in face of an ever more divided financial destiny.

The nature of the commitments which bind and will bind together the Members of this Community should be the anchor for a joint position during the international negotiations over reform of the international monetary system. A united front like this would already in itself make a strategic contribution from Europe to a sounder organization of trade, a fairer distribution of assets and wealth between industrialized nations and between them and the developing countries.

The achievement of Economic and Monetary Union must be accompanied by action to improve or establish a *balance in the development opportunities of Member States and their regions*. The *social aspect* must not be overlooked both from the traditional angle of *full-employment* and the new approach of *more responsible participation by workers in the life of the business*. By coordinating schemes of this kind at European level, this still controversial issue could find room for practical application backed by the guarantees which it will initially entail.

Industrial policy over which the Paris Treaty found solutions for coal and steel should be developed in various specific sectors.

This Conference could give a decisive impetus on all these issues, including *scientific and technological research*.

The running of the Economic and Monetary Union already sets *Institutional problems*. We would be wise not to undertake radical reforms hurriedly or in a spirit of improvisation so as to give our new Members the chance to "experience" the Community. So with them we reserve the possibility of assessing, in the light of experience, what will be for the Community the best blueprint for political construction. Moreover, *as we take stock next year*

before moving into the second phase of the Economic and Monetary Union we shall have to carefully weigh up the transfers of responsibility at Community level to allow the Union to run efficiently. This functional aspect must now be our guide in appraising measures to be adopted. Regarding the Council and the Commission, they will have to play an ever-greater role in the future. Through improvements in procedures and working methods we should bring it about that, with a judicious appraisal of decision mechanisms, they can carry on even more sustained work and do so under conditions which will promote their efficacy.

A more active cooperation is needed between these bodies and the European Parliament, just as the Commission could be *entrusted with more important executive tasks*.

It has been suggested to get more rational organization and efficiency by appointing in each Government a special Minister for European Affairs. My Government is open to this idea. But it does not seem to us that it will reap a real reward today unless the Members of the Government concerned have wider powers and great authority in their native Government so that they can pronounce without question at European level.

If, generally speaking, we agree at this stage against any basic change in the balance of authority delegated to the Institutions, we nevertheless do not want to assume that there are no grounds for drawing some conclusions from the present circumstances, especially over the powers and jurisdiction of the European Parliament.

The expanding activity and authority of the Community obviously implies a consequent widening of the areas under *Parliament's surveillance*. We want to see this surveillance intensified and extended, especially over budgets where the well nigh automatic allocation of own resources will mean that our national Parliaments no longer dispose of the prerogatives which until now have been theirs via national Parliamentary procedures.

We must also decide on implementing the provision already in the current Treaties and whereby the Members of the European House should be elected by direct universal suffrage.

The nature of the tasks we wish to see undertaken in the years ahead requires us to draw up the framework in which they are to be performed. It seems to us that the Community Institutions will have to bear them even in areas where the Treaties have not as from now assigned them specific powers. Failing adaptations to the Treaties themselves, we should make *systematic use of the texts which specifically allow such extensions of authority*. Such a decision is not merely functional, it would lead logically to making the Community and its Institutions the natural framework for these developments.

This guideline means considerably strengthening Community authority which necessarily will have its ramifications on the level of *political unification*. Being an original creation unfenced by the concept of a federation or a confederation the Community cannot be compared out of hand with either one of those classic forms with which one labels politically or in international law the amalgams of States who keep their own personality. For this reason we must continue to advance through a pragmatic approach whose main feature would be the *ever-deeper impression of the Community stamp on our action everywhere*. But our pragmatics must not lead to *inapt concepts* and prevent us from thinking further about a Community political structure which will embrace the European traditions and pluralism. On this issue our Conference would do a useful job by opening up a viable approach to the question of this European personality to be affirmed both at home and abroad.

The Community's own personality will have to make itself felt in our *relations with the outside world*. The progress made towards unification means that at international level we must deduce the consequences of our action. Moreover, our *common commercial policy* makes us an entity in ourselves.

It also seems crucial to us that this assembly declares that we are prepared to draw the inferences of our internal assets for the external front.

Thus, the Community's relations with all the States who are its commercial partners must be rethought for the big negotiations opening next year. While affirming our European personality, the development of our *relations with the USA* must be a major issue, inspired by the concern we all feel not to jeopardize the friendships and alliances which have played a big part in making Europe again a part of the world which legitimately aspires to a leading role.

We feel that with the aim of preserving between the two entities a climate of confidence and cooperation safe from misunderstanding, a means of permanent consultation at top political level could help the common cause.

During the Conference we shall also have the chance to show the Community's readiness to amplify its share in the major venture of aiding the developing countries. To do this together will be valuable not only for those who will be able to benefit from greater contribution but even for the notion we have of ourselves. For a community, pursuing the noble aims of raising living conditions and fairly distributing the rewards of economic expansion could never genuinely achieve these ambitions unless it hoped in the end to benefit equally those peoples who have not been through the long historical and economic process which has turned us into one of the world's most advanced regions.

Here we should like to stress the importance for us of pursuing an *Association policy* conceived on a clearly global scale be it with our Mediterranean neighbours or with a host of developing countries.

Lastly, the positive trend in the relations between each Member State and the *East European countries* must also emerge as a Community readiness to share in this effort towards trade and rapprochement. It will be important for us to present the image of a united community towards these countries and certainly during the great occasion of the *European Conference on Security and Cooperation*.

The younger generation is keenly interested in these broader prospects for the Community. If we fail in our relations with the rest of the world, it will not only be the Community's external image or the spontaneous confidence of the developing countries in us which will suffer. We shall find it hard to make our youngsters believe that what we are undertaking is not merely for the selfish preservation of what we have already gained. We must convince them that it also serves to make our contribution so that others, partly through our efforts, may eventually find greater wellbeing and greater happiness.'

**Address by Mr Sicco Mansholt,
President of the Commission of the European Communities¹**

'Mr President,

We are met here today formally to celebrate, at the highest political level, the birth of the enlarged Community. Unhappily, the occasion sees gathered around the table only nine of the ten who with perseverance and mutual understanding negotiated the Treaty of enlargement: the Norwegian people's "no" in the referendum on accession to the Communities brought sadness to us all. I hope and trust that the outcome of this Conference will give the Norwegians the necessary confidence in the Community cause and a new impetus towards this Europe of ours.

Mr President, as you repeatedly and rightly stressed many times during the preliminary stages, this Conference of Heads of State or Government cannot be confined merely to the celebration of an event, however important, in the process of building Europe. For our task today is to make clear beyond all doubt what is the underlying meaning of that process, and to explain to our peoples, and to the peoples of the world, how we design to build Europe and what are the aims we have set ourselves.

¹ Spoken in French.

The Commission of the European Communities considers that this Paris Summit should establish three fundamental principles for the years ahead.

First, it must be reaffirmed, and more clearly specified, that all we have built so far and all we shall be building from now on is aimed primarily at the progress of our Community towards the *political union* of our countries, and of all countries in Europe whose economic development and political governance is such that they will be capable in times to come of sharing fully in that union. The point must therefore be made that our building venture is not a moneymaking venture, that the preference system we have instituted is a necessary means to political union but not an end in itself. For unless the will to pursue in practice the aim of political unity is clearly expressed today, the building of Europe will be seen from the outside, by the industrialized and, still worse, by the developing countries as sheer discrimination, unacceptable politically, economically and morally alike.

Accordingly, the Commission feels it to be of the highest importance that the Conference of Heads of State or Government should emphasize the will to go forward, in parallel with the advance towards economic and monetary union, with the purpose of ultimately establishing a real European Government, possessing the necessary powers and answerable to a European Parliament freely elected by universal suffrage. To this end it is eminently desirable that the Conference should fix a deadline for the election of the European Parliament's members by universal suffrage, in accordance with Article 138 of the Treaty of Rome.

The *second principle* which the Commission hopes the Paris Summit will adopt is that of *genuine, practical solidarity within the Community*.

This solidarity is expressed first and foremost in the pursuit of the basic design of Community-building in the years ahead—economic and monetary union. The Commission hopes that in this regard the Conference will impart a new impetus capable of taking us even beyond the conclusions we reached in the preparatory stages, and, more especially, in the field of concerted action against inflation.

We feel, however, that the Paris Conference should go beyond what was one of the major results of the Hague Conference, and extend Community solidarity to other fields also.

It should make a first move towards giving an obvious content to the fact of belonging to the European Community. This Community, which has achieved the opening of frontiers for trade in industrial and agricultural goods, must now open the frontiers which still keep its citizens apart from one another.

To this end we consider systematic checks at the Community's internal frontiers should be done away with, and nationals of Member States progressively integrated into the social, administrative and political fabric of their host countries, with the aim of gradually conferring upon them "European civic rights".

Community cooperation should be organized in the field of education—without interference with the countries' own educational systems and the principles on which they are based—in order at any rate to achieve free movement of both teachers and scholars within the Community. By this means fresh and vigorous life can be breathed into the work of European instruction and information so that the rising generation may fit itself to live and work and act in a true Community.

Real solidarity must be developed in a Community social policy serving to bring about steady and balanced improvement in conditions both at and away from work. We have listened with the keenest interest to the statements made by several delegations on this point, and in particular the ideas put forward by Chancellor Brandt, which will undoubtedly contribute much to future decisions. But we consider it necessary that, on such an important chapter, concerted decisions should be taken forthwith, particularly in a field to which the world of labour attaches priority importance, that is the machinery of workers' incomes face to face with the consequences of economic changes. European solidarity should find expression in a Community intervention in this machinery whenever the consequences of the common policies make themselves felt.

The point is to create effective solidarity, which means financial solidarity, for that harmonious development of the regions of the Community which is an essential condition for the ultimate achievement of the economic and monetary union.

In the field of regional policy a Summit decision is especially awaited by large sections of public opinion, and is certain to evoke intense interest. Such a decision will moreover give their full meaning to the moves already in progress towards other common policies, such as an industrial policy and environmental policy.

We are convinced that without effective Community solidarity our words and our ambitions will not suffice to meet the noble challenge of our generation.

The *third principle* which the Commission would like to see approved by this Conference of Heads of State or Government is that of the opening of our Community towards the world in the gradual affirmation of its personality and thanks to effective solidarity with all countries, and particularly with the

least favoured ones, or with those in the process of development, in response to the fundamental problem of this phase of world history.

Before going more deeply into the essential theme of our relations with these countries, I would remind you that the Commission has always stressed in the past that the Community must today reaffirm the positive role it desires to play in the coming international monetary and commercial negotiations, and also give a concrete and real sense to the creation of new relations with the United States, from the angle of rights as well as obligations. Similarly, this Community must show that it is open to cooperation with all the state-trading countries of Asia and Eastern Europe. As regards the latter, the preparation and the holding of the Conference on European Security and Cooperation provide the appropriate setting to emphasize that our economic and political development is not aimed at creating a bloc of countries opposed to other countries, but the progress of a united and outward-looking Community in which the principle of one for all and all for one prevails, and which is capable of promoting better cooperation between the European peoples.

But in the opinion of the Commission the priority task falling to all of the rich and industrialized peoples is that of responding in particular to the expectations of the majority of the countries in the world which are on the difficult road to development and are the least favoured. It is in this field that the Community must in particular impress its image by a resolute action in the vanguard of progress.

The starting point of the Community's action in the field of development aid has been the undertaking entered into vis-à-vis developing countries which are already associated. By virtue of commitments accepted in the Treaty of Accession, it will now be possible for this action to be extended to other countries. I would like to recall on behalf of the Commission that this association policy constitutes a special responsibility of the Community, not only because of the historic links which we have with these countries, but also because several of them are among the poorest in the world.

I would also recall the need to confirm the undertakings already entered into with countries of the Mediterranean Basin for a policy of cooperation in a global and balanced approach.

But we believe that the Community must go beyond these commitments, not in order to reduce them, but, fully respecting them, to achieve a common policy of development cooperation at world level. This policy, too, would need to be a global one, that is to say extending at the same time to the field of trade, financial cooperation and technical cooperation.

It is with this vision in mind that the Commission particularly urges that a decision be taken in the following three fields:

- (i) Improvement of the system of generalized preferences with the aim of promoting an annual growth of the order of 15% in imports into the Community of manufactured products from the developing countries.
- (ii) Promotion, in appropriate cases, of international agreements on the commodities produced by the developing countries and covering prices as well as quantities.
- (iii) A greater financial effort in the field of resources of public origin in conformity with the resolutions of the Second and Third UNCTAD, and the provision of aid on easier terms, with the aim, in particular, of lightening the burden of the debts resulting from loans granted by the Member States to the least favoured developing countries.

Mr President, the tasks, responsibilities and challenges facing our Community in the months and years to come, at home as well as abroad, are of an exceptional magnitude. The whole future of our edifice rests on the capacity of the Community to carry out these tasks, to be equal to these responsibilities, and to give a positive reply to these challenges. The world is observing us, sometimes with hope, sometimes with scepticism, sometimes with fear. International negotiations of basic importance face us. Whether the issue be the reform of the trading or of the monetary system, or the Conference for European Security and Cooperation, it is our Community, with all it has achieved and its future development, which is at stake. In order to safeguard what we have built up, we must progress rapidly and resolutely with economic integration and in the field of the political union. In the name of the Commission of the European Communities I ask this solemn undertaking of you today.'

Debate in the European Parliament

During its session of 15 November the European Parliament debated the Communication from Mr Norbert Schmelzer, Chairman-in-Office of the Council, and Netherlands Minister for Foreign Affairs, on the work over political unification and cooperation in foreign policy. Also discussed was a Report presented for the Political Committee by Mr Müller. Quoted below is the speech by Mr Sicco Mansholt in which he expresses the Commission's view on the outcome of the Summit Conference and the Resolution passed by Parliament after the debate.

Speech by Mr S. L. Mansholt, President of the Commission

'I think Parliament was right to examine the problem of political cooperation between Member States alongside the Summit Conference results.

Obviously we are very closely following how this political cooperation is moving and we are truly glad to find that some progress is being made.

But the Commission is not satisfied and cannot be satisfied with trailing the movement of political cooperation between the Member States. It must also intervene and bring in the required procedure whenever the Community as such is at stake. I am pleased to record that the Council of Foreign Ministers has always enabled the Commission to do this as is the case for instance over the Conference on European Security and Cooperation.

If I now look to the future, I still find some vagueness obscuring political cooperation. Thus we may conjecture as to when the Community interest is at stake and when it is not. This question can already come up when we talk of international cooperation in the Mediterranean and cooperation concerning the Middle East.

The Commission thinks that this issue will necessarily develop in such a way that in the end any distinction between political problems and Community problems will be eliminated. It is obvious that the latter are political. Therefore, this distinction will eventually fade out.

I believe that in speaking of the European Union, the Summit Conference has pointed the way. The Commission fully supports the opinion expressed by the European Parliament in its Resolution that a European Union, if it is to mean anything, will have to emerge as a political union. Over the long haul towards political union, the arbitrary distinction between political problems and Community problems will certainly no longer hold. The Institutions, namely, Parliament, the Council and the Commission, will have to study this in the report they will have to make on the eventual conversion of the Community into a European Union as under the specific Directive in the last paragraph of the Resolution.

For the moment I shall simply make a few remarks, politically speaking, on the outcome of the Summit Conference. A cursory review of the results might disappoint because the Conference took hardly any practical decisions. For the Commission, I would add that as far as Parliament's powers and the direct election of its Members is concerned, there is reason to be disappointed. Mr Müller, as the spokesman for your Political Committee, also brought up these two problems. The Commission made proposals here and would have appreciated firm decisions on them.

The aim of the Summit was to work out a new programme for the Community of Ten. If now we are finally a Community of only Nine, it still means that the future EEC will hold a larger number of countries, a development which was logically to be expected over the years. Regarding the programme I feel that the Summit was a success. Beyond question it did more and better than a Conference of good intentions as it had sometimes recently been dubbed. It was also more than a Conference on potential action.

It was an action Conference. All the same, I will stress right away that potential action, "programmed" action, can also be very important and will be so.

In this spirit, the first point I would make, and a vital one, is that it was a Summit of Nine and not "Six plus Three". This is not obvious from the Conference final communiqué but all those following it closely were well aware of it. Here, let me be a little indiscreet. All kinds of ideas were expressed about Parliament's authority, our relations with the developing countries, the social programme, etc. Now, in these different fields, any boundary lines did not segregate the Six Club from the new Three but went across both groups. It was by joint agreement that the nine countries resolved to ensure the Community's continuity and adopted a number of key political guidelines.

Having made an overall appraisal of the Summit, I would like now to draw a few individual conclusions on firstly the shape of the Institutions in the new political Community, secondly, the Community's relations with the rest of the world and, thirdly, what I would call the vital balance between policy implemented on the macro-economic scale (economic and monetary problems) and the need to convert the EEC into a Community where people will count most or in other words a Community with a genuine social policy. This for me is the most positive side of the Summit Conference.

I now come to the political objective of European Union. The words "European Union" are vague. Alone they mean nothing. The Commission regrets that the character of the European Union was not more clearly drawn. The Summit supported Parliament's opinion over this. But that does not say much more. The Commission would have liked the Union to be defined (and we have made a proposal for it) as a union of agencies which like a government are empowered to take decisions and are answerable to a Parliament directly elected with real power. If the Conference had come up with such a definition we could have determined which way to go. At the moment, this issue is still vague. At any rate, the Commission feels that it was of great value to ask Parliament, the Council and the Commission to compile (and in the Commission's view by working closely together) the report for 1976 which the next Summit will use in making its decisions. Incidentally, this

is not an extra-Community procedure; the provisions for creating the European Union are of a Community character. It is the Community Institutions who must prepare them and the Commission regards this as a vital positive factor. Of course, such a procedure will put heavy obligations on all the Institutions.

Obviously (as the Ministers said themselves) this does not mean that nothing is to happen in the meantime. We are concerned today that the agencies are still not running satisfactorily, that budgetary control is inadequate and that over the authority and responsibilities of the Institutions several measures will have to be taken based on past decisions. I am thinking of what the 1970 Resolution advocated over budgetary control and what the March 1970 one recommended for legal authority. Here there is extensive, unexploited scope for action and the Commission will have to put forward proposals. Moreover, it feels that they must come from the Commission of Nine.

The Commission is also glad that Parliament announced in part of the Resolution that it would make a move after January 1973 to solve these problems. Yet again, it is the Commission of Nine who will have to take over this task after 5 January 1973.

I would like to stress that there is an obvious link between these issues and the future economic and monetary development of the Community, a development which in itself is of considerable importance politically. After the final communiqué from the Summit, the Ministers will have to decide in 1973 whether we move into the second stage. There will still be many questions to be settled in solving the Institutional problems. We are seeing in fact the interplay of a series of factors which will provoke a certain tension over a more strenuous democratization of the Community and that not only beyond the end-phase after 1980 but from now, alongside the development of the Economic Union.

The second point I would like to tackle concerns the Community's relations with the rest of the world. The Commission endorses Parliament's view as Mr Müller has just voiced it. The Commission also regrets that no firm decision has been taken on this matter and that no clear answer was given to the question of our responsibilities towards the world's developing countries. During the all-important Santiago Conference keen anxiety was expressed over the route the Community is taking. Resolutions were passed at the time. For me the Summit Conference missed its target here. The Commission feels that the Summit should have given a precise answer to the question put to it. We are glad to have Parliament on our side over this issue. The Commission had proposed to give some precise figures on the questions which loomed so large at Santiago. Politically speaking, we did not rise to the situation, and it is a pity. Of course, a decision was taken. Financial aid will be increased, but in

what proportions is still open to conjecture. As industrial countries we have up to now stayed well within the programme. If an increase of 0.7% is turned down, I wonder what the increase really means. We have no further details on the matter. Commercial trade should be considerably amplified. The rate of increase of 15% provided in the Santiago Resolution was accepted without demur. We can only hope with the developing countries that the rate will reach at least 15%.

We are aware that there are other problems as this Resolution brought out. Thus we have obligations towards the African countries and the other Associated States which we must scrupulously observe. If the expansion of commercial trade continues on a world scale, we shall have to indemnify the Associated States for the loss of benefits accorded them.

Obviously we also have obligations on the internal front over the social situation of the workers within our Community. The Commission feels that the Summit could have taken a firm decision on this point. But there was none.

For the Community agencies, it is now a case of putting some body into these good intentions. This Parliament did in its Resolution. I would like to speak of the potential action decided at the Summit.

I finally come to the third sector which I wanted to discuss; namely, that of economic and social policy in their broadest sense. I think this was by far the most important subject at the Conference. Even if we only count the decisions by the Conference in these areas alone, it justified itself. These decisions are a success by themselves. They stemmed from the intention that the Heads of State and Government wanted to express "in not creating an Economic Union and mounting a commercial or agricultural policy over the heads of the people. The Summit will have to issue a clear directive to the agencies of our Community which must be a Community implying broad solidarity with the population."

Taking this attitude will have been the key result of the Summit.

Let me reiterate what has already been said: the Summit has written a new chapter into the Rome Treaty. It has accomplished something new. On this basis, we shall be able for many years to develop activity over employment, living and working conditions and worker representation in the functions of companies. It is an impressive programme before us. These issues are listed one by me in your draft Resolution. The programme will have to be implemented based on that draft and together with the other economic agencies; namely, the trade unions and representative bodies throughout economic life.

Our Commission feels that an action programme will emerge which will keep us busy through 1973 and 1974.

Even now when about to leave the stage, our Commission is preparing, so as not to lose time, what the new Commission will soon have to regard as its political objective. We hope it will be possible next year to call a major conference between those responsible for the economy so as to give practical shape to this cooperation with economic circles in such a way that during these meetings we can hammer out the main lines of the intended social policy.

I have already said, and you will not mind my repeating, that this will be the Stresa of social policy, thanks to the directives from the Summit Conference.

Furthermore, I believe we can infer from the terms of the draft Resolution that it would be foolish to create a Monetary Union and an Economic Union, or decide to move into the second phase without taking account of what has been done in the field of social policy.

If, at the Summit, a political statement was made to the effect that it is not desired solely to create an Economic Union or, in the terms of France's President, a "Mercantile Union", but rather a Union where man takes the place due to him, then that means that when moving into the second phase we shall have had, in carrying out this programme, to make solid progress at the level of Economic and Monetary Union. And by then we shall have to be agreed on a number of headings under the social programmes.

These decisions of the Summit are therefore to some extent the political link between the social programme and the economic programme.

This is why it is important to scrutinize what is happening now. Can we be satisfied or not with the present work of the Council; namely, the implementation of some of the Summit decisions? I think the Commission should issue an Opinion here. I shall be very clear about it. We find that the Social Affairs Ministers who met last week have followed up the impetus given by the Summit. During their meeting, the Social Affairs Ministers have been hard at work. Obviously, in this field, they have the support of the Commission. One is really impressed by the host of new possibilities which the Summit has created for social policy. Here I would like to mention in particular Mr Edgar Faure, France's Minister for Social Affairs, who has already played such a major role in agricultural policy. I hope that as Minister for Social Affairs he will take just as prominent a part in social policy. I hear that at their meeting, the Social Affairs Ministers talked about the European Foundation for improving living and working conditions. This links up with what was requested at the Summit Conference.

The Commission particularly applauds the statement made by Mr Edgar Faure who clearly put this objective into a Community context and took care not to regard it as something new, to be attained outside the Community. I think that this is a remarkable tonic for social policy. It has let the Council, the Commission and of course Parliament carry on the impetus given by the Summit.

But unfortunately I have to record that in contrast to the Social Affairs Ministers, the Finance Ministers and their Foreign Affairs colleagues have thrown in the towel over a major issue, a problem at the heart of the Summit debates: the anti-inflation campaign. The Commission is bitterly disappointed at the results of the Council's major session just after the Summit. Indeed, we are getting nowhere in the anti-inflation campaign at Community level. Of course, some measures will be applied on the monetary front—several were already in preparation—but apart from the potato and beef and veal sectors, quoted by the Chairman-in-Office of the Council, no action has been undertaken on which the economy, industry, agriculture and the trade union movement could have counted, as they could have done if they had been assured that an anti-inflation campaign was really underway.

We therefore find that the Summit did not have the needed impact on the activities of Community Institutions. These two examples show clearly that in the last analysis the Summit results can only be appraised in proportion to what the Institutions—Parliament, the Council and the Commission—will be able to accomplish.'

**Resolution of the European Parliament on the results
of the Summit Conference of the Heads of State and Government
from the Member States of the Community**

The European Parliament,

- (i) in view of the declaration published after the Conference held by the Heads of State and Government of Member States of the enlarged Community in Paris on 19 and 20 October 1972,
- (ii) given that both the meeting of the initial Summit Conference between the nine States of the enlarged Community and that the harmony of viewpoint between the six original and three new Member States represents a widely significant event for the construction of Europe,
- (iii) endorsing the resolve of Member States, stressed in this declaration, to base the Community's development on democracy, freedom of opinion, the free movement of people and ideas and the people's participation through their freely elected representatives,
- (iv) recalling its Resolution of 5 July 1972,

(v) in view of the Political Committee's Report (doc. 194/72),

is glad

1. - that the Paris Summit confirms the resolve already shown at The Hague to succeed, in an enlarged Community, with the participation of existing institutions, in strengthening the ties between the democratic European States;
2. that precise time limits have been fixed concerning the irrevocable achievement of the Economic and Monetary Union anticipated by the Decisions of the EEC Council and Member States' Representatives on 22 March 1971 and 22 March 1972;
3. that a decision was taken to set up, by 1 April 1973, a European Monetary Cooperation Fund, in the running of which the Community agencies should effectively share;
4. that principles were laid down and a procedure adopted for reaching a joint attitude on the part of Member States towards reforming the international monetary system, with the aim of ensuring more equitable and lasting order;
5. that the resolve was shown by the parallelism of action which Parliament had always asked for to match the measures for achieving Economic and Monetary Union with practical measures in the other spheres of economic life;
6. that a date was set (1 January 1974) by which the Community Institutions must adopt a broad action programme, involving participation by both sides of industry and improvement of living standards, and which will help in emphasizing the Community's ultimate humanity and strengthen the people's support of the European ideal;
7. that the removal of structural and regional imbalances was recognized as a Community priority and that a Regional Development Fund is to be created for this by 31 December 1973;
8. that a detailed programme was worked out to help the Community dispose of the resources required for implementing a real industrial, scientific and technological policy;
9. that the resolve was declared to set up by 31 July 1973 an action programme which, with a detailed schedule, will be the basis of a Community environment policy;
10. that the need has been finally recognized for the EEC Institutions to prepare as soon as possible an energy policy guaranteeing a sure and lasting

supply on satisfactory economic terms with the hope that the setting of precise dates for mounting this possibly gives more weight to the commitment;

11. that the resolve was shown, through a growing awareness of Europe's own personality, to make her capable of shouldering her increasing responsibility in the world, especially concerning:

- (i) the need to define joint positions over the basic events of world politics;
- (ii) the will to assist the harmonious development of world trade by keeping up in an appropriate form, a constructive dialogue with the USA, Japan, Canada and the other industrialized trade partners, and to define at Community level an overall concept by 1 July 1973;
- (iii) confirmation of an Association policy opened towards the other European countries and a global and balanced policy towards the Mediterranean countries with whom Agreements have been or will be made;
- (iv) the importance attached to a cooperation policy, based on reciprocity, with the Eastern countries, towards whom a common commercial policy must be formed by the Member States of the EEC as from 1 January 1973;
- (v) the need for a concerted and constructive contribution by the Community and Member States towards the preparation and proceedings of the Conference on European Security and Cooperation;

deplores

12 that the Agreement on mounting an overall policy for cooperation over development aid on a world scale did not emerge in precisely defined action such as, for example, fixing an amount of 0.7% of the gross national Community product to be allocated for the aid and an annual growth of 15% in imports from the States concerned;

13. that no decision was taken on strengthening the Community's democratic structures;

14. that for mounting the election by universal, direct suffrage of Members of the European Parliament, neither precise dates have been set nor any mandate has been issued to solve current problems;

15. that only general comments were made over the more effective participation by Parliament in the Community's legislation;

16. that the Community cannot have a single decision centre, capable of taking decisions binding on Member States and, in the democratic spirit, counterbalanced by a European Parliament vested with real Parliamentary authority;

17. that the achievement of the Political Union is seen solely on the basis of intensifying cooperation procedures between Member States' Governments;

18. that over political cooperation and foreign policy the Commission and Parliament have not been accorded the position which is their due; mainly with regard to the terms and effects of Community action on the international scene;

19. that the need for radical improvement in the decision procedure between the Commission, the Council and Parliament, in respect of the Treaties, did not find a practical and prompt solution.

The European Parliament,

20. recalls once again that the Rome Treaties (Article 138 EEC and Article 108 EAEC) as well as the Luxembourg Resolutions of 22 April 1970 on the strengthening of Parliament's powers and on political concertation must be completely observed;

21. officially notes that the Heads of State set themselves the major objective of transforming, before the end of this decade and in complete observance of the Treaties, all relations of Member States into a "European Union" and that they asked the Community Institutions to prepare before the end of 1975 a report to be submitted to a later Summit Conference;

22. is convinced that the term "European Union" used for the first time in the Paris statement includes the objectives adopted by the European Parliament in its earlier positions over the "Political Union";

23. feels that only participation by the people and their elected representatives can allow this objective to be freely and democratically obtained;

24. again stresses that there can be no active participation by the younger generation in the construction of Europe unless the "European Union" is based on a strengthening of the Community's democratic structure and on a full share by Parliament in the decisions committing the future of the people;

25. appeals to the EEC Council and Commission so that, within the time limits indicated by the Paris Conference, decisions are taken in order to give fresh impetus to Community construction;

26. feels it is important that the Summit Conference entrusted the Community Institutions with key mandates for mounting the various policies which form the practical reality of the construction of Europe and declares itself ready to assume all its responsibilities as under the Treaty and the Paris Communiqué;
27. asks the Commission to submit, in its next action programme, practical proposals in the spirit of this Resolution;
28. will submit after 1 January 1973 its own proposals for preparing measures to improve the decision procedure and working methods of the Institutions;
29. reserves the right to prepare its own proposals to contribute through Parliamentary initiative to the further development of the Community's political objectives contained in the Treaties;
30. delegates its President to transmit this Resolution to the Governments and Parliaments of Member States of the enlarged EEC as well as to the Council and Commission of the EEC.