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The European Summit Conference

PARIS-OCTOBER 1972

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**THE EUROPEAN SUMMIT CONFERENCE
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**THE CONFERENCE OF HEADS OF STATE AND GOVERNMENT OF
MEMBER AND ACCEDING COUNTRIES OF THE EUROPEAN
COMMUNITIES. PARIS 19 AND 20 OCTOBER, 1972**

PART I

INTRODUCTION

From the moment when it was agreed, after the Frascati meeting of Foreign Ministers on 11-12 September, that the European Summit would be held in Paris on the dates originally proposed, President Pompidou decided, without having any very great expectations that specifically French interests would be promoted, to do everything he could to make the Conference a success. That this would be the case seemed clear before the Conference opened and this impression was confirmed by the arrangements.

2. The arrival at the airport of the majority of the Delegations (list at Annex A), carefully organised within a set period on 18 October, was attended with full military honours and presided over by the French Prime Minister, Monsieur Messmer, and the Foreign Minister, Monsieur Schumann. No expense was spared on the facilities for the Conference itself and on the entertainment of the Delegations. The police authorities worked wonders in moving the various Delegations from one place to another through the Paris traffic with the minimum of disruption. Much to their relief, and as a result of the most careful preparation, there were no security problems and only one or two very minor incidents.

3. The Conference itself was held in the French Government Conference Centre (the old Hotel Majestic on the avenue Kléber). This sizeable complex which has been for the last four years, at considerable expense and inconvenience to the French, the exclusive home of the Viet-Nam Peace Talks, was at last put to the use for which it was intended; the Viet-Nam negotiators took the week off. The principal Conference Hall, a long room dominated by enormous chandeliers and decorated in that heavy nineteenth-century style which in Paris is still the usual background of high-level diplomacy, was in the event more grandiose than comfortable. (The air-conditioning system never fully recovered from the high temperature generated by the press of journalists and spectators and the glare of the television lights at the formal opening.) The Delegations sat round a long table at which each had four seats with 12 more for advisers behind. The seating had been so arranged that President Pompidou, who was in the chair throughout and whose urbane, if slightly cynical, direction of the proceedings was one of the more impressive features of the occasion, sat with the French Delegation in the middle of one side. On his left were the Germans and then the Danes and on his right the Irish and the Italians. Opposite there were four Delegations with a gap in the middle so that we were almost opposite the Germans with the Belgians on our right; on our left sat the Dutch and then the Luxembourg Delegation. The Commission were relegated to a place at the far end of the table where it was possible for President Pompidou, by ignoring the sometimes insistent demands of Dr. Mansholt for the floor, to demonstrate that their status was not the same as that of the Heads of Government. (This point had already

been made clear during the arrival ceremonies at the Airport when the Commission Delegation, having chosen to come at the same time as the Heads of Government, were received with an ostentatious lack of ceremony.)

4. Outside the Conference Room there was a profusion of offices, Committee Rooms, bars and restaurants which catered more or less efficiently for all the needs of the Delegations. On the debit side, the simultaneous interpretation, particularly into English, ranged from poor to incomprehensible and the secretarial services of the Conference were not equal to the demands placed on them. The translation of working papers and of the draft Communiqué into English had to be done almost single-handedly by the British Delegation who had been led to understand that the French would do this and were not therefore prepared.

5. The proceedings of the Conference began at 10.00 a.m. on 19 October with a short speech of welcome by President Pompidou in front of the journalists and television cameras to which Mr. Biesheuvel, the Prime Minister of the Netherlands, as the current President of the Council of Ministers, replied. The hall having then been cleared of the journalists, the opening round of speeches took place. These produced no surprises; President Pompidou was reasonably forthcoming about steps towards greater unity and made a call for "Union" within 10 years. The Prime Minister's speech was well received. The texts of all these speeches are in Part II of this volume.

6. The Delegations split up for lunch on the first day. The Heads of Government went to the Elysée while the Finance Ministers and Ministers of Foreign Affairs were entertained by Monsieur Giscard d'Estaing and Monsieur Schumann respectively. The officials were entertained by Monsieur Alphan. After lunch the meeting discussed economic and monetary union. The agreement reached at lunch between the Finance Ministers that the European Monetary Co-operation Fund should be set up by 1 April, 1973, and that the Central Bank Governors and the Monetary Committee should report on the possibility of increasing short term credit facilities and on the progressive pooling of reserves by 30 September and 31 December, 1973, respectively was endorsed. The day's programme, which ran late throughout, was ended by President Pompidou's gala dinner at the Elysée.

7. The meeting on 20 October began with a discussion of political co-operation. There was a general consensus that this had begun well and should be still further improved. It was agreed that the Foreign Ministers should in future meet four times a year. The Prime Minister said that the aim should be to formulate common, medium and long-term foreign policies and stressed the close relationship between political co-operation and the actions of the Community. This was favourably received. It was agreed that the Foreign Ministers should produce not later than 30 June, 1973, a second report on methods of improving political co-operation as laid down in the first Luxembourg report. The afternoon and early evening sessions on 20 October were devoted to external relations and institutions. Little progress was made on aid. As regards international trade, the tone was good and, though there was little progress on substance, it should be possible to represent the outcome to the Americans and others as going some way towards meeting them. The Dutch pressed hard for a forthcoming statement on direct elections to the European Parliament but were refused by the French. A summary record of all these discussions is in Part III of this volume.

8. Work on the draft Communiqué began after lunch on 19 October in a drafting Committee. As had been foreseen, its work was critical for the success of the meeting. President Pompidou had sent to the Prime Minister on 17 October

a draft of a solemn Declaration. Concerned lest President Pompidou should intend that this should be the only agreed document, the Prime Minister immediately replied accepting this draft, but suggesting that specific decisions should be recorded in a document to be added to it. A British draft of this document was sent by the Prime Minister to President Pompidou on 18 October and subsequently circulated to other Delegations. The French tabled their own draft on 19 October as did the Germans and Dutch. The drafting Committee started work at 4 p.m. on 19 October and adjourned briefly in the early hours of the morning of 20 October, after completing its work on the draft Declaration, which by then had some square brackets around disagreed passages in it. The drafting Committee, sometimes splitting into two groups, met throughout the day on 20 October, hammering out the text of the rest of the Communiqué. The monetary group managed to produce a text without any square brackets, but the main drafting group's work still contained, when it came to the plenary session, many passages on which no agreement had been reached.

9. The Foreign Ministers had meanwhile been asked at the last moment to join the Heads of Government at lunch at the Elysée and they were subsequently invited by the French to have another look at the Declaration. The way in which French officials had been handling the Communiqué drafting had led us to suspect that the French might wish to get agreement on the Declaration and then block any agreement on the rest of the Communiqué, so that their own document would be the only concrete result of the meeting. The appearance of the draft Declaration in "Le Monde" heightened this suspicion. The Secretary of State was therefore obliged to insist at some length that (a) no agreement could be reached on the draft Declaration until we knew the content of the draft Communiqué containing the decisions of the Conference, since the wording of the former would have to be adjusted if that of the latter was not satisfactory; and (b) he could not be expected to work on any draft until an English translation was available. He also pointed out that the text of the Declaration had been leaked to the Press, which made it all the more important that it should be accompanied by a list of decisions. Monsieur Schumann was profusely apologetic about the leak (which he said came from the Commission Delegation) and assured the Secretary of State that any agreement reached by the Foreign Ministers on the Declaration was only *ad referendum*. But the Secretary of State was given strong support by Herr Scheel and the meeting adjourned without making any progress.

10. The discussion of the Communiqué in the plenary session, the salient points of which, together with the text of the Communiqué, are set out in Part IV of this paper, was therefore prolonged and often confused. Some of the discussion was of considerable importance, especially that on regional policy, during the course of which the Prime Minister received some useful assurances about the meaning of the words "structural under-employment". The Press, who were waiting impatiently in an adjoining room, naturally began to prepare tales of a fundamental disagreement. But in fact there was never a moment when it seemed conceivable that the Conference would break down. The Dutch pushed their demand for a decision on a date for direct elections to the European Parliament rather further than expected. But this was mainly for the record—and for the benefit of the Dutch Parliament. Agreement was finally reached after midnight, an hour which could have been a good deal later but for President Pompidou's brisk management of the proceedings. The President then presided, with his colleagues, over a brief press conference at which he was able to assert that the Conference, despite a certain number of difficulties and disagreements, had worked well and had produced a document which contained precise engagements and timetables for future joint action.

PART II

TEXTS OF THE OPENING SPEECHES

- (a) President Pompidou
- (b) The Prime Minister of the Netherlands (Mr. Biesheuvel)
- (c) The Prime Minister
- (d) The Chancellor of the Federal German Republic (Herr Brandt)
- (e) The Prime Minister of Denmark (Mr. Jørgensen)
- (f) The Prime Minister of Belgium (M. Eyskens)
- (g) The Prime Minister of Italy (Signor Andreotti)
- (h) The Prime Minister of Ireland (Mr. Lynch)
- (i) The Prime Minister of Luxembourg (M. Werner)
- (j) The President of the Commission (Dr. Mansholt)

(a) SPEECH BY THE PRESIDENT OF THE FRENCH REPUBLIC

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 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.

None the less, we meet not merely to exchange compliments, but to act; to propose and 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 fitting 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 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 symbolise 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 Co-operation 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 co-ordination 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 interests 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 co-operation, 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 organisations capable of taking practical measures, if we are to avoid creating a gigantic Community administration. It is not contradictory to assume that one can centralise action that is by its very nature decentralised, and which has led us in France, the epitome of administrative centralisation, to recognise the pressing need for decentralisation? 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 harmonising 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 co-ordination 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 emphasise 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 symbolised not only power and wealth, but quality of life and civilisation. 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 organisation 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 organisation, 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 organisation 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 co-ordination 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 organisations.

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 familiarise 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 recognise 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 shoulder its destiny.

(b) SPEECH BY THE PRIME MINISTER OF THE NETHERLANDS

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 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 meetings, 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 Government took decisions in three major spheres which were succinctly and lucidly epitomised 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 co-operation 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 realise 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 co-operation 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 realise 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 organisations 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 organisations 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. Whatever 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 organisations. 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 co-operation 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 interest 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 pragmatic 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 co-operation 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 co-operation, to say nothing of the responsibility 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 interests of every single resident within the Community are at stake.

Thank you.

(c) **SPEECH BY THE PRIME MINISTER, THE RIGHT HON. EDWARD HEATH, MBE, MP, AT THE OPENING SESSION OF THE EUROPEAN ECONOMIC COMMUNITY SUMMIT CONFERENCE IN PARIS ON THURSDAY, 19 OCTOBER, 1972**

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 realise the wider opportunities for which this Community was created—the European idea that lay in the minds of its founders.

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 enterprise 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 Co-operation.

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 harmonising 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 recognised that special policies are necessary to deal with areas where there are special problems. In the Six, during the last 10 years, the regional problems which have been considered were predominantly those of agricultural areas. In the enlarged Community, and in the next 10 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 analyse 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 realise 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 co-operation.

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 co-operation 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 an 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 recognised 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 blueprint, 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 recognise: a voice of reason, of humanity and moderation, which can be heard throughout the world.

(d) **SPEECH BY THE CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY**

PART I

Introduction

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 an 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.

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

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 co-operation 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 co-ordinate our efforts to ensure that the Conference on Security and Co-operation 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 widespread scepticism.

The European Fund for Monetary Co-operation, 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 need 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 harmonise 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 realise 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 co-operation 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.

PART II

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 co-ordination 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 organised 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 co-operation 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 realise 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.

PART III

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 harmonised through co-operation 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 organised 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 "dynamising" 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 co-ordinated 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 co-ordination of foreign trade policy and foreign policy.

Logically, therefore, Community activity and co-operation on foreign policy should be linked together in a way that best suits the purpose of the matter in hand. The process of political co-operation 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 liberalisation and also to the reorganisation 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 organisations.

In so doing the Community should present itself as an outward-looking partner, ready for co-operation 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 co-operation 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 co-operation 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 Co-operation—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 co-ordinated positions.

In being prepared to co-operate 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, that is to say between all States in 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 characterised 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 in this respect be submitted within a short term.

As regards global development policy, we should seek close co-operation 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.

(e) SPEECH BY THE PRIME MINISTER OF DENMARK

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 co-operation. 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 out-dated to many people. We cannot afford to ignore these sentiments.

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 co-operation has certainly contributed to the consolidation of peace in Europe and has tremendously improved the standard of living. New tasks now lie before us. There is an inherent dynamism

in European co-operation. 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.

Co-operation 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 co-operation. 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 cannot 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 guidelines for our future co-operation. That would put the Communities on the right course.

(f) SPEECH BY THE PRIME MINISTER OF BELGIUM

Since the beginning of 1971, the Belgian Government has been in favour of holding a Conference of Heads of State and of Government in the course of 1972. In fact, we considered it essential that, when the Community was enlarged, we should formally confirm some of the choices we have already made and lay down new guide-lines for the achievement of the union of Europe which remains our ultimate political objective. We hope that the Paris Conference will be able to make significant progress in three directions:

- in reinforcing existing political ties between Member States of the Community;
- in developing and strengthening Community action;
- in affirming, as regards external policy, a specifically European personality.

I. When studying the report prepared by the Foreign Ministers, the first thing that strikes us is of fundamental importance: our nine countries confirm their desire that the whole process of economic and monetary unification should take place within the structure of the European Communities. This means that all the increasingly important decisions, the end result of which will be the realisation of economic and monetary union on 31 December, 1980, must be taken in accordance with Community rules, that is to say on the basis of proposals from the Commission, Opinions of the European Parliament, and Decisions of the Council of Ministers. This also means that if budgetary problems arise, they must be resolved by having recourse to the system of Community resources, and that the commitments we enter into are justifiable to the Court of Justice.

As Member States have already agreed in the Resolution of 22 March, 1971, "as progress is made towards the ultimate objective, Community instruments shall be established whenever necessary to replace or supplement the action of national instruments".

It follows that all policies founded upon the achievement of economic and monetary union and united social progress shall be dealt with in accordance with Community rules. This covers regional, industrial, technological, scientific, social and environmental policies. I shall go on to specify later the concrete results we hope to achieve in these different fields.

However, important as this decision may be, it does not satisfy us completely, as it does not fully correspond to the political objectives we have set ourselves and which up to now have only appeared in the preambles of the Treaties and in the declarations made in the course of previous Summit Conferences.

The various types of Community action we have just decided to implement demand commitment in the political sphere. The achievement of Community objectives and the establishment of a political union cannot be separated. I would like to quote three examples to convince you of this:

How can we arrive at a Mediterranean policy within the Community if we have not first laid down the political objectives on which it must be based? How can we arrive at a common trade policy if we do not lay down principles to govern our attitude towards the countries of Eastern Europe? How can we arrive at the pooling of our monetary reserves and accept budgetary Directives if we do not lay down the type of union we are to have?

President Pompidou drew our attention to this problem in the press conference he held on 21 January, 1971, when he spoke in terms of a confederation and described Europe as "a Confederation of States determined to harmonise their policies and integrate their economies".

As the Community is enlarged, it is important to confirm as clearly as possible our desire to unite our actions in all fields. The Belgian Foreign Minister stated in the Belgian Parliament on 7 June of this year "We are ready to call the new commitments we have made in preparation for more complete unity: 'European Confederation'". We are still prepared to do so today. We hope that at the end of this Conference, our common desire will be declared to prepare the way for a united Europe and, while respecting absolutely the Treaties which have already been signed, to strengthen our political, economic, social and cultural ties to form a complete European entity. What matters is not the use of this or that definition, but finding out if our co-operation is to remain restricted to certain sectors or if ultimately it will become general. Our people are awaiting the answer to this fundamental question. On the basis of the commitment we make, we have to consider the nature of the executive, legislative and judiciary powers of such a European entity.

In our treatment of such fundamental ideas, we must, of course, behave responsibly and not put forward proposals which we neither wish nor are able to carry out. We cannot at the moment define the concept of union, but we could adopt a procedure which has proved useful in the past. Could we not ask a prominent politician or the Foreign Minister of the State holding the office of President to prepare, before 1 July, 1973, an analysis of the problems raised by the realisation of this entity, after holding appropriate consultations?

The Foreign Ministers would then be able to study the document and submit a report to us before 31 December, 1973. It goes without saying that the time limits we have mentioned are provisional and can be altered if they appear unrealistic. In this way we shall have demonstrated our desire to give greater precision to our ultimate objective, whilst choosing a procedure which will protect us against possible disappointment.

While it would not be appropriate at the moment to give a precise definition of the union, I should like, nevertheless, to state very clearly what, to my mind, it is not. The process of integration which has come about within the Communities in pursuance of the Treaties of Paris and Rome cannot of course be altered. On the contrary, we have just strengthened it by the decisions we are taking in the course of this conference. The procedure for our new co-operation, arising from additional political commitments to be made, must take account of what is being done at Community level, as there can be no question of creating a parallel centre for decision making. The relationship between our procedure for taking decisions regarding Community sectors and decisions on other matters must be given special attention in the analysis we proposed.

In confirming our desire for progress as regards the union of our States we shall have put an end to doubts concerning our views. Yet we shall not have wholly fulfilled the expectations of our people unless we allow the citizens of Europe to participate in building a united Europe.

We propose that this conference should take two initiatives: first, decide, within time limits to be agreed, on concrete measures to encourage the movement of young people within the Community and give them the full benefit throughout the Member States of the qualifications they have obtained, regardless of the

Member State in which their education took place. Secondly, nationals of Member States who reside for more than five years in another Member State must be able to take part in decisions affecting their local Community.

Once these two principles are laid down by the Conference, our Ministers should implement them within a time limit to be agreed.

II. I would like now to outline for you very briefly the fields in which the Belgian Government hopes that this Conference will be able to put forward other concrete guidelines.

Economic and monetary union and united social progress.

The results which our Minister of Finance obtained in Frascati are certainly worthwhile but we would like to go further. We hope that the European Fund, the establishment of which we are going to decide on, will, during the first half of 1973, have greater resources at its disposal than is at present expected and will be able to allow those States which have recourse to it to benefit from simplified reimbursement procedure. This is the only way in which we will really be able to maintain narrow fluctuation margins between our currencies. We must also fix the date on which we will take a decision on giving the Fund its own resources.

We also propose that a precise procedure should be adopted to allow our States to speak with a single voice and to defend common standpoints during the discussions which are about to begin within the group of Twenty, for the Community has a responsibility and a special contribution to make to the reform of the international monetary system.

We are well aware that we will not achieve this result in the monetary field if we do not translate into reality our desire for concerted action in the economic field. We must commit ourselves to holding meaningful and compulsory consultations and to fighting effectively against inflation. We must take measures in this connection in the monetary field and in the budgetary field.

We fully understand that certain Member States wish to show their population that Community solidarity is a reality and that the Community is undertaking effective action to help the less favoured regions. We must commit ourselves resolutely to this course of action. Belgium is ready to do this.

We confirmed at The Hague our desire to develop a common policy in the field of science and technology, and we have achieved hardly any results. We hope that a programme of action will be set up to co-ordinate national policies within Community institutions to co-operate in carrying out action of Community interest. In this context, confirmation of our desire to make Europe capable of supplying enriched uranium is of the utmost importance for the future.

Guidelines are also necessary in the industrial field to encourage closer co-operation between undertakings established within the enlarged Community and to ensure that these undertakings are in keeping with the social and economic aims of the Community. We must also draw up a policy to reorganise under acceptable social conditions those branches of industry which are in a state of crisis or in decline.

The German delegation has submitted an important document which underlines the Community's responsibilities in the social field. We are in favour of this and we must, in our declaration, follow up these intentions with concrete proposals.

III. Our Community must define its identity more clearly. To this end, it must first be strengthened and I will not repeat what I said at the beginning on the importance of the decisions we are taking for the strengthening of Community action. The most important act of strengthening as regards institutions which we could possibly achieve in the immediate future would be to entrust the Community unreservedly with new responsibilities and to deal with the important sectors of our economic and social co-operation according to Community procedures.

We will have to discuss the problem of Parliament. On this subject we must distinguish between the question of Parliament's powers and that of its method of election. We would like this Conference to confirm our desire to respect the basic democratic principles whereby any decision must be controlled by the people. This means that as our national Parliaments relinquish their responsibilities on European matters, the European Parliament must take on this vital task. We await the proposals that the Commission will make to us on this subject and we must, in accordance with this commitment, widen the scope of the responsibilities falling to Parliament as rapidly as possible.

As regards the method of electing Parliament, we must take account of the enlargement of our Community and ask Parliament to draw up proposals in accordance with Article 138. We must also undertake that before the end of the transitional period for the new Members, the Council of Ministers will, pursuant to Article 138, have taken a stand on this problem and recommended measures to Member States for adoption in accordance with their respective constitutional requirements.

We have closely followed the work undertaken by our Foreign Ministers within the framework of co-operation in external policy. They have achieved some results but now is the time for a decision on our part that they should increase the pace of their consultations. Could we not agree that each meeting of the Council of Ministers should include a consultation session, preparations for which should be made by the Policy Committee?

The effort which we are making to give our Community a personality of its own entails increasing responsibilities in the field of external policy. In fact the Community's own individuality is emerging towards others and in relation to others. While remaining loyal to our traditional allies, we must however take on action of our own. In the very first place, our Community must accept a special responsibility for the developing countries. This political task is in keeping with the tradition of our civilisation, with the expectations of public opinion and with the new possibilities open to us thanks to our Community action.

This important political declaration must be accompanied by commitments which demonstrate our desire to join actions to our words. Without going into too much detail about our suggestions, we should confirm our desire to contribute 1 per cent of the gross national product to such action in the form of public and private aid with effect from 1975. For the period from 1975 to 1980 we propose making an additional undertaking to give the developing countries 1 per cent of the new resources available to us during that time as a result of our economic growth.

Our relations with industrialised countries remain essential since the interdependence of the development of our economies necessitates solidarity and creates a convergence of interests. We will confirm at the end of this Conference our desire to take an active part in the forthcoming GATT negotiations. If the negotiations as such can only take place within that framework, could we not

gain something by organising discussions between the Community and our main industrial partners more systematically? A truly European identity means a common attitude to problems and thus eliminates any danger of seeing our industrial partners using these discussions to slow down our integration.

We must reaffirm our desire to intensify our co-operation with all the countries of Europe which must fully respect the requirements of the common commercial policy.

Europe's contribution to the policy of *détente* is well known. Continuing solidarity between us remains the essence of our success. We must keep that in mind in the attitudes we adopt at the Conference on Security and Co-operation in Europe.

Finally, I should like to make a general observation.

There is an increasing need for the political representatives responsible for European integration to consider systematically the problems which European society will have to face over the next 15 to 20 years.

At a time when the countries of Europe are voluntarily guiding their long-term future according to integration timetables which are often of more than 10 years' duration, it would be regrettable if they did not try to predict and assess both the implications and the interaction of the numerous trends which can be observed in our life in society. It is in fact by studying the consequences of these numerous developments that we shall gain a better understanding not only of the challenges and constraints but also of the possibilities which will arise for European society in the next 15 to 20 years. Political leaders can best define the aims of integration and determine what choices must be made to achieve the goals thus fixed if they know what they are trying to achieve and what pitfalls they must avoid.

It is not therefore a matter of jointly planning our economic development—that is what the Committee for medium-term policy is for—nor of establishing some new centre for research into the future of our societies—we already possess such centres in our countries, in our universities and even at European level.

In order to deal with this issue, we do not need to set up a completely new institution and employ in it numerous researchers in the various fields which such a study would cover.

Rather, what is important is that one of the Community institutions should be given the responsibility and the means to initiate such research, to determine its priorities and to make its findings known in such a way that they make an impact on the decision-making process.

In other words, research into what Europe is to become should be a common undertaking and should make full use of the channels open to it.

The Belgian Government is convinced that this Conference must lay down the political guide-lines which will influence our development over the next 10 ambitious lest we disappoint premature hopes but at the same time we must not be over-cautious lest we disappoint the citizens of Europe and our own people.

We hope that the proposals which we have put forward will fulfil this twofold objective.

(g) SPEECH BY THE PRIME MINISTER OF ITALY

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 realise the economic and monetary union of Europe. Therefore, the decision to create now the European Monetary Co-operation 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.

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 liberalisation 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—characterised by deep regional imbalances—could not cope with a *homogeneous* monetary system without risking further tensions.

I must therefore emphasise 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 *resources 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 co-ordinated 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 decentralisation.

Furthermore, in relation to the launching of a European industrial, scientific, and technological policy, the régime 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, 1974, 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 Co-operation. 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 civilisation 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 recognise 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 industrialised 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 Co-operation, 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 co-operation 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 co-operate 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 recognise that the entry of United Kingdom, Ireland and Denmark entails the necessity of an adequate preparatory period. During such period the Parliamentary Assembly will have the task 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 co-operation.

This co-operation had a good beginning with the Luxembourg Report and with the activity of diplomatic harmonisation 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 co-operation. The Foreign Ministers shall examine this question in the new Report on the progress of political co-operation 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 emphasising 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.

(h) SPEECH BY THE PRIME MINISTER OF IRELAND

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 into the European Communities would be endorsed by the people, welcomed the original proposal that a Conference be held. We recognised 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 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 recognise, 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 co-operation and co-ordination 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 recognised 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 authorise 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 recognise the danger of our peoples growing apart from the Community and 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 industrialised 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 realisation 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 co-operation as such between our nine countries. The Hague Summit Conference took a significant decision which led directly to the existing procedures for political co-operation. 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.

(i) SPEECH BY THE PRIME MINISTER OF LUXEMBOURG

Before I, in turn, go on to discuss in their more general aspects the themes with which this conference should concern itself, may I first express *our gratitude* to the President of the French Republic who took the initiative of inviting us to Paris, and to Federal Chancellor Brandt who was the first to propose such a meeting.

This, the fifth Conference of Heads of State or of Government takes on *particular significance* as we are joined today for the first time by the Prime Minister of the United Kingdom, the Prime Minister of Ireland, the Prime Minister of the Kingdom of Denmark and the Foreign and Finance Ministers of the three acceding States. We also regret that the Norwegian Prime Minister is not with us but at the same time we fully respect the democratically expressed wish of the Norwegian people.

This episode illustrates both that European unification is still a difficult undertaking, often misunderstood, and that we must try to improve the image presented to the outside world—an image often distorted by the slow and weighty processes which inevitably accompany a procedure based on free acceptance by Member States of new codes of behaviour and policy. In the well-turned phrase of that eminent European M. Monnet: "Necessity is the mother of a United Europe"—necessity resulting from the growing interdependence between nations and from the limitations they encounter in pursuing objectives and satisfying needs which a world in a state of technological, economic and cultural change presents or suggests to them. European unification is the product of an attitude of mind, of a *mixture of idealism and interest on the part of Heads of State who recognise and experience the usefulness of and need for joint action. A primary and fundamental objective of our meeting is the reinforcement of that state of mind.*

Our meeting at The Hague, three years ago, was the starting point of the successful negotiations which today enable us to prepare the way for an enlarged Community. It was also the moment of realisation that implementation of the Treaty of Rome could and should be achieved within the time-limits originally provided for in that Treaty.

Moreover, we agreed on that occasion that in order to face new situations and continue the undeniable success of the first decade of its existence, the Community should set itself objectives which are more ambitious and more difficult, but arise from *the need to consolidate and develop the integration already achieved.*

Even if the Community's successes have not always been equal to its ambitions, we have nevertheless to recognise that new paths have been opened up since 1969.

Economic and monetary union, which we decided should be brought about gradually, is beginning to become a reality in spite of all the misgivings and temporary setbacks.

In our traditional line of approach, that is to say establishing factual solidarity on the basis of legal solidarity, we have great hopes that this meeting will ensure that the programme outlined, which gives rise to the greatest optimism as regards developments within the Community, will be energetically pursued.

Since last year, in spite of accidents *en route*, or perhaps because of them, Europeans have acquired a keener realisation of the need to develop their action in this field. In particular they have realised that they must *show the outside world a European identity as regards monetary affairs*.

The irreversibility of such an undertaking should be officially confirmed, as should our desire to achieve union before the end of this decade.

In the plan by stages drawn up by the *ad hoc* group, provision was made for compulsory transition to the second stage of economic and monetary union whatever the cost. Yet according to the resolutions adopted last year, the Governments decided that the first stage should remain experimental and pragmatic, that it should only be concluded in accordance with the schedule, and that it should then be a matter for consideration whether and under what conditions the next stage should be entered upon.

I do not advocate rigid plans or inflexible strategies; none the less, we must realise that *a monetary undertaking runs into danger as soon as its calculations include an element of uncertainty*. In this respect it resembles the currencies themselves whose troubles begin, be they rising or falling values, as soon as their future seems uncertain: speculation which plays on doubt is quick to step in. Similarly economic and monetary union will be credible and inspire confidence as and when we *make clear our desire to enter upon the second stage*. Of course if transition to the second stage is to be made between now and the end of next year, *a certain number of important measures must be carried out*.

I expect a decisive political impetus from the European Summit Conference on this matter.

Whilst saying this, I, like my colleagues, vigorously stress the need, often stated, for *parallel and effective progress in the co-ordination and harmonisation of economic policies*. This is an essential counterpart for ensuring that the setting up of machinery to deal with monetary affairs does not ultimately disappoint us.

It seems to me therefore, that we should confirm our willingness *to accept the disciplines* which are necessary to prevent conflict between our national policies and the Community objective which emerges from guide-lines adopted after a collective review of the situation. In this respect we should acknowledge the lesson to be learned from the inadequate co-ordination achieved up to now and *give new impetus to the institution of well aligned economic, short-term and budgetary policies*, founded to an ever greater extent on the political guide-lines worked out at Community level. The inevitable difficulties and misgivings could certainly be considerably diminished by improving procedures and by *demonstrating the solidarity* which is essential to joint action in economic and monetary affairs *in respect of regional policy and social policy*. The interdependence already resulting from short-term developments should facilitate this collaboration.

We are particularly aware of this interdependence at the present time when our Governments are struggling against *inflationary trends* which we are finding extremely difficult to put an end to at national level. Of course, we are prevented from proceeding too rigidly by national differences. But our common objective must be *stability with growth*.

But in this direction too the necessary impetus must be given by us in our capacity as political leaders of the States and Governments. This means:

- (a) that we must accept in principle to be subject to certain guide-lines adopted within the framework of a Community procedure after a full assessment of the needs and requirements of the Member States themselves;

- (b) that we must undertake to help the Community institutions to accomplish their particularly difficult task in this field;

- (c) that we must respect the Community procedures and apply common decisions in their entirety.

The events of last year have shown us the extent to which *monetary matters affect the economy and the economy affects monetary matters*. Action provokes reaction. But at certain stages in our development we must make definite choices to break the apparently vicious circle. The precarious state of the international monetary system dictates the *approach from the monetary angle* at the present time.

Both the internal co-ordination and the external position of the Community demand that the *European Fund for Monetary Co-operation* should be set up within the Community without delay, which would make it possible to organise on a multilateral basis the concerted action for monetary tactics and mutual support to which Governments and the European Central Banks are committed in any case because of the current monetary uncertainty. The essential role of this Fund must be *to serve a commonly defined policy*, all the more so since the fact of seeing its transactions expressed in *European units of account* would mark a new threshold of European co-operation in this field.

Should we not consider whether, in addition to the contributions already proposed by the Finance Ministers, *a contribution to the Fund immediately or in the very near future as a reserve* corresponding to a certain percentage of the national reserves would be likely to demonstrate our desire for solidarity more effectively in view of the fact that, as regards money matters, our futures will be increasingly shared.

The nature of obligations which unite and will continue to unite the Member States of this Community should be the basis of a common standpoint at international negotiations for the reform of the international monetary system. A common attitude of this type would constitute by itself a very great contribution by Europe to a better organisation of trade, and to a better sharing of possessions and wealth among the industrialised nations and also between the latter and the developing countries.

The achievement of economic and monetary union must be accompanied by measures to improve or establish a certain *balance in the development possibilities of the Member States and of their various regions*. We must not lose sight of the *social aspect* in this context, both the traditional aspect of *full employment* and the new aspects of *more responsible participation of employees in the running of firms*. It is by co-ordinating systems on a European scale that this still controversial question could find a field of application which offered the guarantees necessary in the early stages.

The industrial policy to which the Treaty of Paris found solutions in the coal and steel field should be developed in various specific sectors.

On all these points, and also on *scientific and technological research*, this Conference could have a decisive influence.

The management of the economic and monetary union already gives rise to *problems of an institutional nature*. Wisdom demands without doubt that we should not hurry or improvise far-reaching reforms in order to give the countries which are joining us the chance to "experience" the Community. With them, we reserve the possibility of working out, in the light of experience, what will be the best lines on which to design a policy for the Community. Moreover, *the*

schedule to be drawn up over the next year for the transition to the second stage of economic and monetary union requires a study of the transfer of responsibility to the Community level to allow economic and monetary union to function efficiently. It is this functional aspect which must guide us especially now in working out the measures to be taken.

As for the Council and the Commission, they will have increasingly important roles to play in future developments. We should ensure that, thanks to improved procedures and working methods, by a careful assessment of the decision-making machinery, they are able not only to sustain their activity but to do so under conditions which make for greater efficiency.

These bodies should co-operate more actively with the European Parliament, and the Commission could take on *more extensive work of an executive nature.*

It has been suggested that if each Government appointed a Minister especially for European affairs we would achieve a greater degree of rational organisation and efficiency. My Government welcomes this idea.

However, it appears to us that this does not imply real progress in relation to the current situation unless these members of the Government have sufficiently wide powers and authority within their own Government to be able to take up positions at Community level which will be accepted.

If, generally speaking, we agree that at this stage there will be no fundamental change in the balance between the powers of the various institutions, we would none the less not wish to deduce from this that certain conclusions should not yet be drawn from our present circumstances, in particular with regard to the jurisdiction and powers of the *European Parliament.*

If the activities and jurisdiction of the Community are widened there is an obvious implication that the fields in which *Parliamentary control* is exercised must also be widened. We would like to see this control intensified generally and its scope broadened, notably with regard to budgetary matters where the almost automatic allocation of the Community's own resources will mean that our national Parliaments can no longer exercise the prerogatives which hitherto have indirectly been theirs through national Parliamentary procedure.

We must also take a decision on implementing the provision already contained in the present Treaties whereby Members of the European Parliament should be elected by direct universal suffrage.

The nature of the missions which we wish to see undertaken in the next few years requires that we decide on the framework within which such missions are to be carried out. We think that the Community institutions should provide this framework even for fields where the Treaties have not as yet conferred precise powers on them. Failing adaptation of the Treaties themselves, *systematic recourse should therefore be made to the texts which do in fact allow for such an extension of jurisdiction.* Our decision would not be taken simply for functional reasons but would automatically make the Community and its institutions the natural framework for these developments.

If we were to take this direction, Community authority would be considerably strengthened and this would automatically be felt at the level of *political unification.* As the Community is an original creation and does not entirely embrace the concept of either a confederate or a federal entity, it cannot be directly compared to one or other of the traditional forms used to identify, in politics and international law, groupings of States in which each State retains its individual

personality. For this reason we must doubtless continue to apply a pragmatic approach whose main strength would be that *our actions in all fields would increasingly bear the mark of the Community.* Our pragmatism must not however make us unable to conceptualise and prevent us from thinking further about a political structure for the Community taking into account European tradition and pluralism. This Conference could be very useful in this respect if it showed at least one way in which the problem of establishing this European personality both within and outside the Community might be suitably approached.

The Community's individual personality must in particular manifest itself at the level of our *relations with the outside world.* The progress made towards unification means that at international level we must draw the necessary conclusions from what we have achieved. Moreover, *our common commercial policy* has made us into a single entity.

We therefore think it important that this meeting also affirm our readiness to draw conclusions from our experience within the Community which can be applied to external relations.

The Community's relations as a whole with all the States which are its trade partners must be reconsidered with a view to the major negotiations which will take place as from next year. While still affirming our European personality, the development of our *relations with the United States* must be one of our main concerns inspired by our unanimous desire not to resurrect doubts about the friendships and alliances which contributed in large measure to making Europe once again one of the parts of the world which can justifiably claim a leading role in world affairs.

We think that in the aim of maintaining an atmosphere of trust and co-operation, free from misunderstanding, between the United States and the Community, a standing advisory body set up at a high political level could be of service to the common cause.

In the course of this Conference we shall also be able to demonstrate the Community's readiness to increase its share in the major undertaking of supplying *aid to developing countries.* That we should assume this task in common is important, not only for those who will thus benefit from increased contributions but also for the idea, which we shall have of ourselves, for a Community which pursues the noble objectives of improving living conditions and giving out a fair share in the benefits of economic expansion, could never really achieve these ambitions if it did not definitely aim also to help benefit from these objectives nations which have not experienced the long historic and economic process which has made us one of the most advanced regions of the world.

In this connection, we should like to stress the importance which we attach to pursuing a *policy of association* based on a clear overall concept, regardless of whether this be with neighbouring and Mediterranean countries or with a large number of developing countries.

Finally, the positive developments in relations between each of the Member States and *East European countries* must also be demonstrated by the Community's readiness to contribute to this effort to establish closer relations and interchange. It is important that we present the image of a united Community in relations with these countries, particularly in the forthcoming vital *Conference on Security and Co-operation in Europe.*

The younger generation is particularly interested in these wider perspectives of the Community. If we fail in this aspect of our relations with the rest of the world, this will affect not only the Community's image *vis-à-vis* other countries and the faith which the developing countries in particular automatically have in us but also the reasons which we must give our young people for believing that our undertaking is not intended simply to preserve our own achievements selfishly. We must convince them that it is also designed to make our contribution towards helping others finally to achieve, partly thanks to us, increased well-being and greater happiness.

(j) SPEECH BY THE PRESIDENT OF THE COMMISSION

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.

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 industrialised 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 emphasise 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 co-operation should be organised 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 taught 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 co-operation 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 Co-operation provide the appropriate setting to emphasise 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 co-operation between the European peoples.

But in the opinion of the Commission the priority task falling to all of the rich and industrialised 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 co-operation 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 co-operation 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 co-operation and technical co-operation.

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

- (a) Improvement of the system of generalised preferences with the aim of promoting an annual growth of the order of 15 per cent in imports into the Community of manufactured products from the developing countries.
- (b) Promotion, in appropriate cases, of international agreements on the commodities produced by the developing countries and covering prices as well as quantities.
- (c) 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 Co-operation, 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.

...but in the opinion of the Commission the present is not falling to all the rich and industrialized peoples in that of regarding as particular in the expectations of the majority of the countries in the world which are on the different road to development and the least developed. It is in this field that the Community must in particular intervene by means of a concrete action in the framework of progress.

The starting point of the Community's action in the field of development aid has been the understanding reached with the developing countries which are closely associated by virtue of commitments accepted in the Treaty of Rome. It will now be possible for this action to be extended to other countries. I would like to focus on behalf of the Commission the following policy: to ensure a special responsibility of the Community and this because of the historical links which we have with these countries, but also because we are one of the most advanced in the world.

I would also recall the need to continue the bilateral and group efforts first 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 and in order to reduce them, but also regarding them as a common policy of development co-operation at world level. The policy we would need to be a global one that is to say extending to the entire field of world, regional, cooperative and technical co-operation.

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

...the enlargement of the system of generalized preferences with the aim of generating an annual amount of the order of 10 per cent in exports from the Community of manufactured products from the developing countries.

(b) Promotion in appropriate cases of international agreements on the commodities produced by the developing countries and covering areas as well as quantities.

(c) A greater financial effort by the EC in favour of public works in conformity with the guidelines of the World Bank and UNCTAD and the provision of an amount to the order of 10 per cent of the total of the aid to the developing countries.

By the plenary session of the Council and the Commission of the Community. Mr. President, the latter expressed their and that other leading the Community in the months and years to come. It seems to me as though we are in a moment of transition. The whole future of our civilization rests on the capacity of the Community to carry out these tasks, to the extent to which it is possible to carry out these tasks. The world is therefore in a moment of transition with hope.